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THE U.S. HEROIN PROBLEM AND SOUTHEAST ASIA

REPORT

OF A

STAFF SURVEY TEAM

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

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LETTER OF TRANSMITTAL

WASHINGTON, D.C.,
December —, 1972.

Hon. THOMAS E. MORGAN,
Chairman, Committee on Foreign Affairs,
Washington, D.C.

There is transmitted herewith a report of a staff survey which was conducted per your instructions between August 16, 1972, and September 3, 1972.

The purpose of the survey was to gather information pertaining to the production and smuggling of heroin in Southeast Asia and to ascertain the steps that the governments of Southeast Asia are taking to help control illegal international narcotics trafficking.

During the course of the study, the survey team met in Washington with U.S. Government officials involved in the international aspects of the narcotics control problem, including representatives of the Department of State, the Department of Justice, including the Bureau of Narcotics and Dangerous Drugs, the Department of the Treasury, the White House, and the Central Intelligence Agency.

In the field, which included visits to Japan, Hong Kong, South Vietnam, Laos, Burma, and Thailand, the survey team met with U.S. diplomatic, intelligence, and narcotics control officials, foreign law enforcement and other government officials responsible for narcotics control efforts in those countries, and representatives of the United Nations Special Drug Abuse Fund, former military leaders, and private citizens.

The survey team would like to express its thanks and appreciation for the assistance, advice, cooperation, and hospitality extended during the course of its deliberations.

ROBERT K. BOYER.
JOHN J. BRADY.

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BACKGROUND

The use of heroin in the United States has reached crisis proportions. It is now estimated that there are between 500,000 and 600,000 heroin users in the United States, a substantial increase over the mid-1971 estimate of 315,000 addicted.[1]

Precise statistics on heroin abuse are difficult to collect. It is, therefore, likely that there are more addicts than current assessments indicate. For example, the White House Special Action Office for Drug Abuse Prevention has stated "that all available data seems to indicate that drug abuse in the United States is rising."

In New York City, drug abuse is the largest single cause of death for persons between the ages of 15 and 35. Last year, there was 1,259 confirmed drug-related deaths in that city.

Heroin is not only a scourge to those who use it—it is also a cancer to the society upon which it feeds.

Reliable estimates indicate that the average addict spends about $30 per day on heroin. Some spend as much as $100 per day.

Roughly, this means that if there are 500,000 addicts spending $30 per day on heroin, the cost per day is $15 million, or approximately $5,475 million per year. If there are 600,000 heroin addicts, the daily cost would be approximately $18 million while the yearly cost would exceed $6,570 million. A large majority must turn to crime to support their habits.

Heroin Addiction and Crime in the United States

In May 1971 Congressman Morgan F. Murphy and Robert Steele in a report to the Committee on Foreign Affairs stated that:

> Reliable authorities estimate that the addict would have to steal goods worth at least four or five times the cost of his habit per year to support that habit.
>
> If 75 percent of those addicted resorted to crime * * * the cost in crime committed to sustain the habit would be in excess of $8 billion per year at a minimum.

Based upon this formula, 500,000 to 600,000 heroin addicts would commit crimes involving property, cash, and other tangibles worth between $16 and $20 billion per year.

Heroin Consumed in the United States

It is estimated that the heroin addict population in the United States requires from 10 to 12 tons of heroin per year. Since it requires 10 tons of opium to produce 1 ton of heroin, it would only take between 100 and 120 tons of opium to satisfy these needs.

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[1] The increase in the number estimated is due in part to refined techniques of identification and detection. It, therefore, should not be construed that the number of addicts doubled during the past year.

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INTRODUCTION

Until mid-1971, the Bureau of Narcotics and Dangerous Drugs (BNDD) estimated that 80 percent of the heroin entering the United States originated in the poppy fields of Turkey.

On June 30, 1971, the Government of Turkey announced that it would stop growing poppies after 1972. In return, the United States agreed to furnish $35 million in financial assistance to help alleviate economic difficulties resulting from the ban on opium production.

As a result of the decision by Turkey to stop growing poppies there is concern in the United States that the countries of Southeast Asia will replace Turkey as the major source of supply for heroin in the United States. For if the decision by the Government of Turkey to discontinue opium production eliminates that country as a source of opium, the international and domestic U.S. drug peddlers will turn to other areas of the world for heroin, particularly Southeast Asia.

There are those who argue that much more heroin already enters the United States each year from Southeast Asia than the 5 to 10 percent estimated by Nelson Gross, Special Assistant to the Secretary of State for Narcotics Matters. For example, a recent report by the Strategic Intelligence Office of the Bureau of Narcotics and Dangerous Drugs stated, "More of the heroin reaching the United States is from this area than conventional knowledge has recognized."

A senior official of the Bureau said "Southeast Asia is playing a more important role and more heroin is coming from that part of the world. The exact amount cannot be ascertained because the chemists are unable to determine beyond a reasonable doubt where heroin originates. Therefore, it is not possible to determine how much Southeast Asian heroin is entering the United States."

While the percentage of Southeast Asian heroin entering the United States cannot be determined with any accuracy or certainty, there is no doubt that that area can and does produce more than enough opium to replace Turkey as the major supplier to the illegal market in the United States.

It is estimated that three countries, Burma, Laos, and Thailand, produce about 700 tons of opium per year. This amount of opium will yield 70 tons of heroin which is many times the estimated 10 to 12 tons required to sustain the heroin population of the United States.

Before 1970 the bulk of Southeast Asia's opium was consumed by Asians, mostly in the form of opium or as No. 3 purple smoking heroin. A small amount, less than 10 tons of opium equivalent, was sold to non-Asians in the form of high quality injectable heroin (No. 4 heroin).

This pattern began to change in 1970 when 90 to 98 percent pure No. 4 white heroin began to appear in South Vietnam. By spring of 1971 the widespread use of No. 4 heroin by U.S. troops in Vietnam had reached alarming proportions. It was in great supply, it was readily available and the market was profitable.

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U.S. INTERNATIONAL NARCOTICS CONTROL ORGANIZATION

Cabinet Committee for International Narcotics Control

On September 7, 1971 the President established the Cabinet Committee for International Narcotics Control to coordinate anti-narcotics activities.

The Cabinet Committee is responsible for the "formulation and coordination of all policies of the Federal Government relating to the goal of curtailing and eventually eliminating the flow of illegal narcotics and dangerous drugs into the United States."

Because the cooperation of foreign governments is absolutely essential if these objectives are to be achieved the Secretary of State was designated Chairman of the Cabinet Committee. Its members include the Attorney General, the Secretaries of Defense, Treasury, Agriculture, the Permanent United States Representative of the United Nations, the Director of the Central Intelligence Agency, and such others as may be deemed necessary by the Secretary of State.

The Executive Director of the Cabinet Committee is a Special Assistant to the President.

The Committee is supported by a Working Group composed of personnel from each of the Departments and Agencies represented on the Cabinet Committee, the National Security Council, and the Special Action Office for Drug Abuse Prevention. The Chairman of the Working Group is also the Executive Director of the Cabinet Committee.

The Working Group has seven functional subcommittees—Law Enforcement, Intelligence, Public Information, Diplomacy and Foreign Aid, Congressional Relations, Rehabilitation and Treatment, and Research and Development.

Under the Working Group is a Coordinating Subcommittee which is a staff level group responsible for coordinating interagency narcotics control actions within five geographic regions. This group which develops policy recommendations and monitors implementation is also chaired by a White House Official who is responsible to the Chairman of the Working Group. The following chart shows the organizational structure of the Cabinet Committee.

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As important as bilateral programs are to the solution of the problems in the final analysis the suppression of narcotics in SoutheastAsia will require regional cooperation. To attack it, therefore, requires coordination between narcotics law enforcement officials of all countries in the area.

The United States is attempting to encourage regional cooperation in Southeast Asia through the Regional BNDD Office which is located in Bangkok. While there has been little success in these efforts and the results are not yet satisfactory, several countries are developing an awareness of the need to coordinate activities and to exchange information.

BNDD agents in Southeast Asia also work closely with U.S. Customs officials stationed in the area.

U.S. BUREAU OF CUSTOMS

Briefly stated, the role of the U.S. Bureau of Customs is to prevent the illegal entry of narcotics into the United States.

It is the contention of U.S. Customs that the best place to interdict the flow of narcotics is at the U.S. border. As several Customs officials explained, "the bottleneck in narcotics smuggling is at the U.S. border and this is the best place to attack the problem." This has not proved to be completely effective, however, for in spite of intensified inspection and examination procedures an unknown quantity of heroin slips by Customs and enters the United States each year. As part of its program to impede the illegal flow of narcotics the United States has offered Customs assistance to foreign countries (1) to improve inspection and screening of traffic at lawful points of entry and exit; and (2) to prevent smuggling at border and coastal points and interior air strips.

U.S. Customs agents are stationed in several countries around the world, including Laos, Thailand, and South Vietnam. These agents advise and assist local customs officials and in Laos conduct inspections and examinations of aircraft personnel and baggage entering or leaving the country. In addition, U.S. Customs agents participate in border patrol operations along the Mekong River in the Golden Triangle. And in March 1972 Customs began recruiting 25 agents with intelligence experience to collect data on smuggling operations abroad. These agents are being assigned to principal opium source countries or at key points along the smuggling routes to the United States. (At the time the Survey Team was in Southeast Asia Customs intelligence personnel were in Laos and South Vietnam but not in Thailand.)

According to several Customs officials in Southeast Asia and in Washington, the *raison d'être* for establishing an intelligence collection capability was that "BNDD did not share all of the intelligence that it collected." One particularly outspoken official on this subject said, "BNDD is not likely to work on behalf of Customs. As a result it was decided to send our own intelligence agents overseas." Unfortunately, like many BNDD agents overseas all of those Customs intelligence officials do not speak the language of the country in which they are stationed.

On the other hand, BNDD officials complained that Customs is "not entirely forthcoming with a lot of the information that they get. BNDD does not receive a regular flow of intelligence from Customs."

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It is deplorable that this situation exists. The ultimate objective is to stop heroin from reaching the addicts and it will require the wholehearted participation and cooperation of all parties and agencies involved. The dimensions of the problem are such that the United States cannot afford the luxury of interagency friction.

CENTRAL INTELLIGENCE AGENCY

In war, intelligence on the activities of the enemy is vital. This is especially true of the war on narcotics where the entire process is clandestine. Poppies are grown illegally. Opium is purchased from the grower covertly, processed in illicit laboratories and smuggled across national borders in violation of international law.

Prior to the establishment of the Cabinet Committee, narcotics intelligence was the responsibility of the Bureau of Narcotics and Dangerous Drugs. This was an unsatisfactory arrangement. The view of several U.S. officials was that they [BNDD] were not trained to handle the collection, collation, analysis, and dissemination of foreign intelligence and as a result a lot of good intelligence went largely unused.

To remedy this situation and to improve the quality of intelligence, the President directed the Central Intelligence Agency to give narcotics intelligence collection a major priority. The Agency has done this.

It is the consensus among most officials with whom the Survey Team met, in and out of the intelligence community, that the inclusion of CIA in the narcotics intelligence collection effort was necessary. The Agency has the expertise, the resources, and the contacts that BNDD and Customs do not have. These same officials are concerned, however, that the requirement to participate in the narcotics intelligence effort will interfere with the Agency's capability in other areas. This concern is valid. While CIA was given the responsibility, the Agency was not authorized additional personnel, and overall funding was reduced.

In Southeast Asia, the CIA has been given the responsibility for coordinating the narcotics intelligence collection activities in the various U.S. Missions.

To prevent any of the agencies engaged in collecting intelligence on narcotics from using the same informers, the CIA provides coordinated intelligence support. This enables them to monitor the program and insure maximum effectiveness with a minimum amount of confusion and duplication.

Domestically, a Central Intelligence Agency official serves as Chairman of the Cabinet Committee's Working Group Subcommittee on Foreign Intelligence. The purpose of this subcommittee is to coordinate the foreign intelligence collection effort at the Washington level and to develop collection guidelines for the field. The subcommittee conducts its activities on an informal rather than organizational basis. As a result, a working relationship has developed among the individual representatives of its more important components; i.e., CIA, BNDD, and Customs.

In the past, the Agency has produced a number of Intelligence Memoranda on various aspects of the international narcotics problems, for the use of the Department of State, BNDD, Customs, and other agencies. While there are no such documents being produced at the

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bers of the Working Group represented independent, autonomous agencies and bureaus, each with a different frame of reference and each with a different approach to the problem, the meetings resulted in arguments, and that no decisions are reached. As a result, the anti-narcotics effort is conducted on a personal relationship basis. This system cannot work, however, unless there are dedicated full-time individuals with full authority to represent the agencies and the White House.

This pretty well sums up the shortcomings in the U.S. organization to combat drugs on an international level. Petty bureaucratic jealousies over jurisdiction have inhibited the activities of the Cabinet Committee. This in turn has hampered efforts to mobilize the full resources and to coordinate the agencies of the Federal Government involved in the anti-narcotics struggle. Fortunately this situation does not appear to be as severe in Southeast Asia as it is in Washington. While minor personnel and bureaucratic tensions do arise from time to time, for the most part the representatives of the different agencies, departments, and bureaus work closely with each other and the problems that are present in Washington do not seem to have been exported.

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THE SITUATION IN SOUTHEAST ASIA

Opium Production in the Golden Triangle

The remote Golden Triangle area of Northern Thailand, Eastern Burma, and Western Laos produces almost half (700 tons) of the world's illicit opium (990–1,210 tons). (See map No. 1.)

Efforts to control the production of opium in the Golden Triangle have been unsuccessful. There are several reasons for this.

First, opium represents the only cash crop for the tribes producing it. In many cases, the cash that opium brings, or the opium itself, is used to purchase, or barter for, the arms, ammunition, and supplies needed to support the insurgent groups that operate throughout the area.

Second, most poppy growers are simple hill tribesmen who are unaware of the dimensions of the world heroin problem. The tribes have accepted the use of opium and its derivatives for centuries, and the respective governments have been unable to educate them to the fact that the opium they produce contributes to a serious cultural and sociological problem in the United States and around the world.

The most important factor hindering effective control of opium production, however, must be attributed to the fact that the area has not been under the control of any government and as a matter of fact has been dominated by the several insurgent groups that operate in the Golden Triangle.

The governments involved have been plagued by civil wars and insurgencies for over two decades. Given the inability of the Governments of Burma, Laos, and Thailand to assert effective administrative and political control over this area, it is unlikely that the production of opium can be stopped, at least in the foreseeable future.

Unfortunately, once the opium or heroin gets into the international smuggling network, at least part of it will reach the addict in the United States. For when the illegal product fans out from the Golden Triangle, it becomes increasingly difficult to intercept. The following diagram shows the probable smuggling routes from the Golden Triangle.[1]

[1] There have been recent reports indicating movement of opium westward from the Shan State and the Chin Hills of Burma toward India and Bangladesh.

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COUNTRY SITUATION REPORTS

BURMA

Of the three countries with territories in the Golden Triangle, Burma presents the most perplexing problem for the United States. An estimated 400 metric tons, or more than one-half of the entire illicit opium output in the Golden Triangle is produced within Burma. Yet, unlike Laos and Thailand, United States presence and influence in Burma is negligible.

To appreciate the complexity of the problem of eradicating the production of and traffic in opium in Burma, it is necessary to recognize the various elements which contribute to that problem.

INSURGENCY IN BURMA

Burma has been beset with insurgency for over 25 years. In 1949–50, the Government of the Union of Burma came very close to being overthrown by the combined attacks of Communist and Karen forces (estimated in excess of 20,000), but it succeeded in defending Rangoon and ultimately in expelling the insurgents from the more populated areas. Subsequent factionalization along ideological, ethnic, or political lines has prevented the insurgents from uniting into a serious threat to the central government. However, more than 30 percent of the country is estimated to be effectively denied to the government by insurgent forces whose numbers probably still exceed 15,000 although accurate estimates of their numbers are difficult. As indicated, insurgent forces occupy and control the Burmese area located in the Golden Triangle.

The following summary lists the major insurgent groups, their location and political orientation:

Burma Communist Party—White Flag (BCP–WF)

Estimated to number between 4,000 and 6,000, the BCP–WF is located throughout the delta area and in lower Burma as well as in the northern Shan State along the Sino-Burmese border where its major forces are found.

The White Flags are essentially two separate groups—the original Burman insurgents in lower Burma and a primarily ethnic insurgency created and supported by the Peoples Republic of China (PRC) along the border. The former group has been racked by internal purges and severe Government of Burma military pressure and in recent years has been limited to sporadic acts of terrorism and sabotage. In comparison, the White Flag insurgents along the Chinese border are very effective with large, well-armed forces. They have been increasingly aggressive during the past year and control large areas of the northern Shan state between the Salween River and the border. A clandestine radio station, the "Voice of the People of Burma" contributes propaganda support.

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That arrest along with increased enforcement activity along the Thai and Laotian sides of the tri-border area has brought about both a buildup of opium stocks and a drop in price on the Burmese side, according to U.S. intelligence estimates. In addition, the withdrawal of U.S. troops stationed in South Vietnam has caused a backlog of opium and heroin stocks particularly in the Tachilek area and in South Vietnam.

Although no one has determined how much opium and its various derivatives are stored in Tachilek and other refinery locations, it is estimated that over 300 tons of opium has been convoyed to Tachilek since January 1972. The following list shows the status of the current market in Tachilek compared with last year's prices:

	1971 (April-July) (per kilo)	1972 (August) (per kilo)
Raw opium	$36	$14
Heroin (No. 4)	1,780	300-400
Morphine base	495	232

The market is also reported as being depressed in the Shan State areas of cultivation. There, the farmer, whose crop is financed by Chinese ethnic entrepreneurs, is absorbing the loss. Whether the backlog of opiates and the depressed prices can be translated into a shortage on the consumer end is not evident. Insofar as local consumption is concerned, there is no evidence of a shortage in Bangkok, Saigon, or Hong Kong.

Furthermore, there are indications that growers and traffickers are positive that the current depression in the market is only temporary. Growers are reportedly buying fertilizer for next year's poppy crop and major traffickers such as Lo Hsing-han are attempting to modernize their operations. This is an indication that the major traffickers do not view the current depression as being permanent.

There are, however, developments which demonstrate that recent enforcement efforts in the tri-border area have caused the traffickers to experiment with different routes. One such route which U.S. intelligence sources have identified involves the capital city, Rangoon. Originating in the town of Pinlaung in the southern Shan State, the new route bears straight south to Toungoo, Pegu and reaches Rangoon where the opiates are transshipped either by rail or water to Moulmein. From the latter location, the shipments are transported down through Tavoy, and Mergui to Victoria Point in the Malaysian peninsula. It has not yet been determined whether the shipments then go to Bangkok or whether other routes are used.

While in Rangoon, the Survey Team was told by Burmese officials that trafficking through Rangoon was impossible due to stringent government controls. However, in view of the development cited above, one must assume that the Burmese Government has as little control in "administered" areas as it has in the so-called "unadministered" territories. If the Government of Burma does exercise control in the Rangoon area, there must be some acquiescence to the traffickers as is the case in Tachilek.

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More ominous than the development of a Rangoon route is the increased activity reported in the Chin Hills in western Burma. Although opium poppies have been cultivated traditionally in the Chin Hills, the region's production has always been small compared to the output in the Shan State. Recent reports, however, show that Chin Hills production has doubled and the Chin Hill farmer is receiving double the price his Shan State counterpart is collecting.

The Chin Hills product is moved westward into the newly named state of Bangladesh. This, for the United States, is a disturbing development. Because there is ample opium production in the Indian subcontinent, it is unlikely that the local consumer would require an external source. Moreover, the lack of purchasing power on the part of a prospective consumer in Bangladesh would appear to make a Chin Hills-to-Bangladesh operation unprofitable. The other option—i.e., a Chin Hills-Bangladesh connection to the international traffic routes—seems more credible. Given the existing chaos in Bangladesh, the use of a port area such as Chittagong should pose little problem for a trafficker.

Arms smuggling and the opium trade

Inherent in the Burmese opium trade is the illicit traffic in armaments in Southeast Asia. From the inception of U.S. military sales and military assistance programs in that region, substantial amounts of arms, ammunition, and equipment have fallen into the hands of indigenous insurgent groups in the various countries of the area.

Officials in the Burmese Ministry of Foreign Affairs told the Survey Team that one of their primary concerns was the traffic of contraband arms of U.S. origin into Burma. According to these officials, the abundant availability of modern U.S. arms makes those insurgent forces who obtain them better equipped than the Burmese military forces. As a result, it becomes even more difficult for Rangoon to combat the insurgents and the opium traffic flourishes for it provides a principal source of revenue with which to buy these arms.

Although most cases of arms smuggling in the area involve only small lots, there is at least one instance of a large scale operation. According to U.S. sources, Gen. Ouan Rathikoun (former Chief of Staff, Royal Lao Army) had "plane loads" of U.S. arms flown into Laos. These arms subsequently fell into the possession of insurgent forces in Burma during the period 1966–70. These weapons were acquired by General Ouan in Taiwan. While the Survey Team has not determined whether these arms came to Taiwan under the U.S. military assistance program, it should be noted that, under MAP conditions, recipient countries agree not to transfer MAP-supplied equipment to third countries.

Further, in this vein, the Survey Team learned that the Thai Government also furnished arms to CIF insurgents on both sides of the Thai-Burmese border with arms procured in Taiwan. Again the Survey Team was unable to determine whether these arms came to Taiwan under the U.S. military assistance program.

The special circumstances surrounding former Burmese President U Nu also contribute to area arms smuggling. Now residing in northern Thailand, he directs the insurgent activities of his followers on both

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Heroin laboratories in Laos

For several years there have been rumors that heroin was being manufactured in laboratories located along the Mekong River particularly in the area of Ban Houei Sai in northwest Laos in the heart of the Golden Triangle, in Vientiane, Luang Prabang, and Long Cheng. Until recently, efforts to locate such laboratories have been largely fruitless. On August 2, 1971, however, a laboratory was seized at Houei Phee Lork just north of Ban Houei Sai and destroyed by Lao irregular forces. In addition, an opium producing laboratory at Ban Houei Tap was found abandoned. Lao officials believe that the closing of these two laboratories has ended narcotics production in the Ban Houei Sai area.

This optimism may be unwarranted. Laboratories could be operating without the knowledge of the authorities.

One factor supporting the government's assessment, however, is the fact that the enforcement effort in Laos has been stepped up, thus increasing the risks of operating such laboratories. This may have resulted in some producers moving out of Laos and into the Tachilek area of Burma where there are at least 16 morphine and heroin laboratories in existence. There is no enforcement effort in that part of Burma and operations can be conducted without governmental interference.

There have been unsubstantiated reports that heroin laboratories are also located in Luang Prabang, Pakse, Vientiane, and Long Cheng.

Long Cheng is the headquarters of Gen. Vang Pao, leader of the Meo irregular forces which are supported almost entirely by the United States in their struggle against the Pathet Lao and the North Vietnamese.

According to W. E. Colby, Executive Director of the Central Intelligence Agency, there is "no evidence indicating that Gen. Vang Pao is involved in the Lao drug trade. Because his forces are the principal Lao deterrent to North Vietnamese aggression, many U.S. Government personnel have been in constant contact with Gen. Vang Pao for a number of years. No evidence has come to light connecting him with narcotics trafficking."

In an effort to stop the illegal production of and trafficking in opiates the Lao Government has promulgated a law prohibiting the cultivation of poppies, except under certain controlled conditions. This law became effective on November 15, 1971.

Groupe Spéciale d'Investigation (GSI)

On January 2, 1971, the Groupe Spéciale d'Investigation was established to direct and coordinate implementation of the narcotics law. GSI is currently staffed by 60 trained military and civilian agents. The unit is headed by the Lao Chief of Intelligence, Maj. Gen. Khamhou Boussarath, who reports directly to the Prime Minister. His jurisdiction includes both civilian and military investigations.

The Narcotics Attache of the U.S. Embassy, a BNDD officer, is the principal American adviser to the Director of GSI.

According to Lao officials, if the struggle to control narcotics in Laos is to be successful it will be necessary (1) to control the growing of poppies, (2) to discover and close heroin producing laboratories, and (3) to interdict the movement of narcotics into and out of Laos.

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Narcotics and arms are smuggled into Laos along the Mekong by many of the dissidents and other groups operating in the Golden Triangle. They have been and probably still are being smuggled out of Laos on Royal Lao Air Force aircraft, on Lao and other commercial aircraft, by trucks, automobiles and by foot and caravan.

An example of some of the problems faced by the GSI in Laos is the case of Maj. Chao La, a Yao irregular force leader who is located in Houa Khong Province.

Chao La has written that he has 3,000 kilos of opium that he is willing to sell to the Lao Government. The Lao Government does not want to purchase the opium and has approached the United States, Japan, France, and the United Kingdom asking if they would buy the opium. Simultaneously the Prime Minister ordered Chao La to turn the opium over to the Provincial Governor, Chao Khoueng. Chao La, who does not trust the Provincial Governor, refused to turn over the opium as ordered and the Lao Government has issued instructions that the opium is not to be seized. The plan is to wait until it has been decided which government will make the preemptive buy of the opium. All governments concerned are reluctant to encourage such a practice. They are fearful that once preemptive buying starts, it will encourage farmers to produce more opium for sales to those governments at constantly increasing prices. Paying premium prices for a product which is as valuable on the illegal market as is opium can only encourage those who deal in opium to cater to both the licit and the illicit markets.

For example, according to U.S. authorities in Ban Houei Sai, Chao La needs money. He owes the Chinese irregulars' cash for services rendered (probably for convoying opium from Burma into Laos) which he does not have. Opium is not moving on the illicit market and stocks are piling up in warehouses in Tachilek as well as in Chao La's village.

Chao La wants to sell 3,000 kilos of opium (which will yield 660 pounds of heroin). The Lao Government does not believe that the Yao could have produced more than 1,000 kilos of opium and that the remaining 2,000 kilos have been obtained in Burma.

If the latter estimate is true, a governmental buy of the opium would have the effect of "bailing out" those in Burma who are having trouble moving the opium into and through Laos and Thailand.

If the precedent established in Thailand where the United States purchased 26 tons of opium for $1 million is followed in Laos the results could be disastrous. Opium is not in short supply and production in Burma alone is estimated to be about 400 tons per year.

The Government of Laos and Thailand have both established narcotics control organizations and there have been some initial successes.

Lo Hsing-han and others are having trouble moving their opiates and as a result can be expected to seek other smuggling routes. Already there is evidence to suggest that some opiates are being moved westward through Burma into Bangladesh where conditions are chaotic and governmental control in many parts of the country almost nonexistent.

What could be a better way to finance these operations than to sell opium to governments that are concerned with the problems created by

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operators were able to get small shipments out of Laos—but not much."

What is not clear is by what authority Ouan continued to regulate opium transactions in Laos after the Prime Minister had rescinded the order banning opium transactions in 1964.

Whatever the circumstances there is no doubt that by 1967 Ouan Rathikoun knew more about the narcotics business in Laos than probably any other Government official.

For Ouan's own assessment of the opium situation in Laos, see appendix A and appendix B.

During this same period, Royal Lao Air Force aircraft were used to transport opium throughout Laos, with the approval of General Ouan. Ouan has written that in 1966—

> After being told by some of the Air Force officers about their poor living conditions, I decided to allow them to transport goods on the condition that the transportation must be organized and made under only one chief's orders; there must be no transportation of private goods for any officer of the Air Force; the transportation must occur in the Kingdom of Laos only; there must be no transportation of goods outside the Kingdom of Laos; and it must be the duty of the merchants themselves to transport goods outside of Laos.
>
> Seventy percent of the income from this activity went to the Air Force, 15 percent to the pilots, 10 percent to those who worked on the ground, and 5 percent to the mechanics.
>
> *At the same time, I contacted the U.S. Government asking it to aid the Air Force. I told the U.S. Government that if the Air Force was given aid, it would stop completely the transportation of opium.* [Italics added.] My request was considered by the U.S. Government. Later, in 1969–70, the U.S. Government sent its administrative experts to investigate. After their three-month investigation, no change was made. Later, in 1971, the U.S. Government began to pay sufficient per diem to pilots. At the present time, the U.S. Government still pays them per diem.

According to the Department of State, the United States does not pay per diem to Lao pilots. Combat pilots do receive a small payment per combat mission. A representative from the Department of State indicated that the United States makes no direct payments in Laos. U.S. aid is placed in the Lao Defense budget and is disbursed by the Lao Government.

Ouan claims that the Royal Lao Air Force stopped transporting opium in 1971. The Survey Team was told that Lao Air Force pilots are still involved in the smuggling of opiates throughout Southeast Asia.

U.S. officials state that there is no evidence of this. They do not discount the possibility, however. According to one U.S. official in Vientiane "there are a number of Air Force officers suspected of smuggling narcotics at the present time."

Ouan is not the only high ranking Lao official thought to be involved in the smuggling activities, particularly opium, arms, and ammunition. There have been rumors that the other government officials are also implicated. Again there is "no hard evidence."

In addition to the smuggling of narcotics, it is likely that Lao military personnel are also involved in the arms traffic. As noted elsewhere in this report opium is used to obtain arms, cash, and other necessities by the dissidents and other groups that operate in Burma, Laos, and Thailand. One U.S. official observed that some high ranking military officials in Laos may be trafficking in munitions. The United States has no proof of this although one U.S. narcotics control official

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in Vientiane is of the opinion that Nao is involved: "He is a brigand and he is probably involved in the munitions trade. We have not been able to catch him."

While there is no proof that high ranking Lao officials have been or are involved in smuggling activities, the fact that opium has been produced in Laos and smuggled into the country from Burma on Lao aircraft with the support of at least one high ranking official would tend to bear out the allegations that there was official involvement before the law banning opium transactions was passed in 1971. U.S. officials in Laos indicated that there is no evidence to prove that Gen. Ouan Rathikoun and others are implicated at the present time.

The questions that remain unanswered are the nature of the role of Ouan and others in supplying heroin to United States military forces in South Vietnam and, if they were implicated, with whom were they working in South Vietnam?

The answer to these questions may never be known.

United States–Laos cooperation

In spite of the possibility that several members of the Laotian National Assembly, and other military and governmental officials, may be implicated in narcotics smuggling, it is the opinion of U.S. officials in Laos that the Government is serious in its efforts to detect and prosecute violation of the anti-narcotic law.

To support this conclusion, U.S. officials cite a number of examples. The establishment of the Groupe Spéciale d'Investigation (GSI), passage of the first comprehensive anti-narcotics law in the history of Laos, the prohibition which has been placed on the importation of acetic anhydride (an essential chemical in the production of heroin), and the demonstrated willingness of the Lao Government to allow U.S. narcotics agents, Customs personnel, and other U.S. officials to operate in Laos are the most prominent.

BNDD agents work closely with GSI, and the Lao Government has requested U.S. assistance in improving their Customs Service.

In addition to the close working relationship that has been established between BNDD agents in Laos and the Group Spéciale d'Investigation, other American advisers from the Agency for International Development (AID) and the Bureau of the Customs work closely with their counterparts in the National and Military Police and with the Lao Customs Service.

Successful interdiction of narcotics also depends upon effective customs inspection procedures. The U.S. Bureau of Customs has undertaken a program in conjunction with Lao Customs which is hoped will result in increased seizures, especially along the Mekong River in the Golden Triangle area. As a part of this program, U.S. Customs has implemented a "customs to customs" exchange to help Laos develop an effective customs force capable of enforcing customs law and anti-narcotics laws. As a result of U.S. proposals, the Lao Government has agreed to admit 9 U.S. Customs advisers into Laos to assist Lao Customs in upgrading its enforcement capabilities.

While the United States has agreed to furnish equipment and training for Lao Customs and to assist that organization in expanding its operations much remains for that Government to do. It could begin by making the Laos Customs Service an enforcement agency.

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among some police officials throughout Thailand, including the Border Patrol Police, there is undoubtedly a quantity of opiates driven across the bridge in official Government vehicles.

Narcotics are also smuggled into Thailand by air. There is an unknown number of privately owned short takeoff and landing (STOL) aircraft which can take off and land from unprepared strips anywhere in the country. Until an effective aircraft monitoring system is developed, opium and heroin will move into the country and will get into the international narcotics network.

It is not known how much opium is moved into Thailand by this method. It could be considerable.

There is no effort to interdict the illicit traffic by transportation of narcotics in commercial aircraft in Thailand. There are numerous scheduled internal flights between cities in the north and Bangkok and other points in Thailand. There is no inspection system in-country and it is possible to carry quantities of opium or heroin aboard aircraft without being detected. As one BNDD agent put it, "Nobody is searched. Why go by truck if you can go free by air?"

The opium and its derivatives are transshipped through Thailand—usually through Bangkok—by trawlers and commercial aircraft to Hong Kong, Singapore, and other points.

Until recently, it was thought that the trawlers dropped their illegal cargo near the Lima Islands in Communist Chinese waters. According to the U.S. BNDD and Customs officials, this is not the case. The trawlers actually drop the opiates in international waters where it is fished out of the water and taken to Hong Kong by the many junks and other vessels that operate in the waters around Hong Kong.

This trawler activity is of special concern to United States and Thai authorities.

Much opium also enters Thailand by mule caravans escorted by remnants of the 3d and 5th Kuomingtang (KMT) Armies which were driven out of China in 1949. Now referred to as Chinese Irregular Forces (CIF), these forces under the command of Generals Li and Tuan have operated in southern Burma and northern Thailand for over two decades.

Efforts to resettle the Chinese Irregular Forces

In its efforts to control narcotics traffic the Thai Government has initiated a resettlement program for the Chinese Irregular Forces. In return for land to settle on and potential Thai citizenship the CIF's agreed to turn over all of their opium stocks.

This agreement was made between the Government of Thailand and Generals Li and Tuan, commanders of the respective Chinese forces with the concurrence and support of the United States.

BNDD agreed to help finance the Thai Government resettlement project by turning over 20.8 million baht (almost $1 million) to the Thais who in turn contributed 17 million baht (about $850,000) in Thai Government funds. In connection with this, the Agency for International Development transferred $1 million to BNDD.

Subsequently 26 tons of opium was turned over to the Thai Government by Generals Li and Tuan. On March 7, 1972, Thai officials burned the 26 tons of opium.

This burning was witnessed by two BNDD officials, the Regional Director for Southeast Asia and a forensic chemist.

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According to BNDD the opium was wrapped in balls weighing between 185 and 191 pounds. The balls were wrapped in leaves, paper, and plastic and sealed in 319 burlap bags.

The BNDD representatives sampled each of the bags by randomly cutting into each with a knife and withdrawing a small amount of the contents with a wooden applicator stick. Each stick was placed in a test tube and later examined under a microscope.

BNDD officials are insistent that the bags contained opium and that the opium was completely destroyed.

After burning it was alleged that only 5 of the 26 tons was in fact opium.[6]

BNDD called a press conference on August 1, 1972, and denied the allegations. Included in the press conference was a 20-minute film which showed both Thai and U.S. officials inspecting the opium prior to burning.

Another U.S. official present in Chiang Mai corroborated the fact that the opium had been checked prior to burning by both Thai and BNDD officials and that he was also certain that the bags had all contained opium. According to this official, Thai customs inspected the opium in the mountains of Thailand first and BNDD then inspected it after it had been brought down to Chiang Mai.

A high ranking Thai official also contends that the Chinese turned over 26 tons and that it was all opium. According to this official, the Chinese actually brought 27 tons of opium to the turn-in point, but Thai and U.S. authorities refused to accept the additional ton of opium. Instead the CIF were ordered to get the extra ton of opium out of Thailand. It is unfortunate that there is no official explanation available which would indicate what actually did happen to the 27th ton of opium. It could have been returned to Burma or it could have been smuggled to Bangkok, Hong Kong, or elsewhere.

When questioned as to why 1 ton of opium was refused both Thai and U.S. officials told the Survey Team that there was no additional money authorized to pay for the extra ton and that they did not wish to negotiate further with Li and Tuan lest the whole deal fall through. For this reason, 1 ton of opium was returned to the Chinese.

This is disturbing. Initially, the objectives which prompted the agreement with the CIF were twofold: one was to get the Chinese out of the opium business by resettling them in Thailand with a promise of eventual Thai citizenship if they adhered to the agreement. The other was to destroy a large quantity of opium thus precluding it from being refined into heroin.

Another aspect of this case which should be given critical attention is the precedent that has been established. Regardless of explanations about resettlement the transaction involved paying $1 million for opium. To many this constitutes a preemptive buy which could encourage more opium production, not less. Under some circumstances such buys may be necessary. As a general rule, however, it is a dangerous practice and should be avoided.

The success of the agreement depends upon whether the Chinese will abide by their part of the bargain and stay out of the opium

[6] One BNDD official stated that an informer had told him that the bags had contained 70 percent opium and 30 percent fodder. It was not possible to refute or substantiate the accuracy of this statement although all of the Thai and U.S. officials contacted by the Survey Team substantiated the details as set forth above.

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independently, that the suppression effort was ineffective. As a result of this meeting it was decided to set up a system of unified control and on December 23, 1963, the Thai Government organized the Central Bureau of Narcotics under the Director General of the Police Department.

The duties of this committee are to:

(1) Suppress all illicit traffic in narcotics;

(2) Take measures to control drug addicts;

(3) Coordinate the activities of the various government agencies in narcotics matters;

(4) Cooperate with International Criminal Police Organization (INTERPOL) for the direct exchange of information on international narcotics matters; and

(5) Coordinate Thailand's activities with those of the United Nations Commission on Narcotics Drugs.

Also in 1961 the Government of Thailand authorized the death penalty for narcotics offenses. The decree stated that manufacturers and traffickers in dangerous drugs will be suppressed mercilessly by the authorities. "In addition to being inflicted with punishment, they will be regarded as traitors against the national security too."

Importation of all chemicals used in the production of opiates refining such as acetic anhydride have been placed under government regulation.

In spite of this ban, smuggling of acetic anhydride is still a problem It is manufactured in Japan in large quantities and sold without registration or export controls. It is easy to disguise in various sizes and shapes of containers and detection is difficult.

The Thai Government has also established a Special Narcotics Organization (SNO) to deal with the trafficking of narcotics into and through Thailand.

Special Narcotics Organization (SNO)

The movement of illicit narcotics to and through northern Thailand from the various sectors of the Burma-Laos-Thailand Golden Triangle was virtually unimpeded before 1971. Thai enforcement activities were basically centered in Bangkok with only one officer and three NCO's on station in the north at Chiang Mai. In the summer of 1971 the U.S. Embassy in Bangkok and the Royal Thai Government examined jointly the existing Thai enforcement capability with the specific objective of enhancing operational effectiveness. This aim was underscored in the September 28, 1971, "Memorandum of Understanding" in which the two governments agreed to cooperate in a set of programs designed to meet all four facets of the narcotics problem—enforcement, crop substitution, education, and rehabilitation and training, with priority given to the enforcement effort. (The Thai-United States memorandum of understanding is reproduced in appendix C.) The basic outline of the requirements for an increased enforcement effort evolved out of a series of meetings. It was agreed that, in addition to upgrading the metropolitan police capability, initial emphasis should be given to developing a new unit, well equipped, mobile and fully backed logistically to operate throughout northern Thailand as a Special Narcotics Organization (SNO). In late 1971 and early

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1972 the necessary support arrangements were made, quarters located, and the Thai enforcement officers assigned.

The primary mission of SNO is to provide for the greatest possible interdiction of narcotic substances and chemicals used in the production of opiates along the major surface routes of the north where the possibility of such interdiction is the greatest and to close down collection and storage points located along these routes. SNO has also targeted for destruction any narcotics conversion facilities which may be discovered in the area of its jurisdiction. As a necessary corollary, SNO has the responsibility for developing and utilizing tactical intelligence from clandestine sources. Further, it is prepared to move against narcotic couriers when information concerning their clandestine movement is developed.

As of August 15, 1972, including the commanding officer, SNO had a total of 37 officers and NCO's on active duty, positioned as follows: Chiang Mai Headquarters ,13; Lampang, 6; Chiang Rai, 6; Fang, 6; and Mae Sai, 6. It is estimated that operating expenses at these locations will be between $4,000 and $5000 per month which will be paid by BNDD.

In its first few months of operation SNO has seized a total of 4,720 kilograms of opiates, the equivalent of some 17,050 pounds of raw opium. A synopsis of these major operations may be found in appendix D. (See p. —.)

Technically an element of the 7th Sub-Division (narcotics enforcement) of the Crime Suppression Unit, Thai National Police Department, in practice SNO operates as a semi-independent strike force and its mandate provides for personnel input not only from the police but also from Customs, Excise, Border Patrol Police and the military. Other police elements in the north have been ordered by the Director General of the Thailand National Police Department (TNPD) not only to cooperate fully with SNO, but to deal directly in enforcement matters with its commander, a variation from the traditional Thai police system for diffusion of information and supply of intradepartmental support between police units. In practice this means that the SNO commander can utilize, for example, the Police Aviation Division for logistical support and the Border Patrol Police for manpower augmentation for a given operation without previous specific approval of the TNPD Headquarters in Bangkok. Unfortunately, this has not worked as well in practice as it should and SNO has had difficulty in obtaining aircraft or helicopter support to the extent required to conduct effective aerial surveillance operations. The commander of SNO and U.S. officials in Chiang Mai are of the opinion that the United States should furnish aircraft to SNO as part of the U.S. assistance program. Some officials in the U.S. Agency for International Development disagree. They contend that the United States has already provided the Thai Government with an adequate number of aircraft and helicopters and that with proper coordination that Government could provide aerial support to SNO.

The Survey Team discussed this matter with officials at the U.S. Embassy in Thailand and in Washington, D.C., and was told that consideration was being given to this matter. Some officials in Washing-

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of that Government and Burmese leaders cannot be expected to condone Thai support for U Nu.

Thai policy is to maintain a buffer zone between China and northern Thailand and the dissident Burmese groups who are fighting the Communists in eastern Burma fill this role very well. The dissidents need arms and ammunition, however, and most of these arms are purchased with money earned from the opium trade.

So on the one hand the Thais are working to control opium smuggling while on the other they permit activities to take place which contribute to the problem.

The United States has been encouraging the Government of Thailand to develop better relations with Burma but without success.

There are reports that the Thai Government is now considering withdrawing its support from U Nu. It is unlikely that this will happen in the near future. As long as the Burmese Government is unable to control the Communist insurgency in eastern Burma, the Thais will think twice before taking action which would deny them the buffer zone they desire. To the Thai Government, U Nu is an ally in their struggle against the Communists and the Thai Government will help him as long as it believes that he can be of assistance.

Corruption in Thailand

United States officials in Thailand acknowledge that there is corruption throughout the Thai Government. There are indications that middle level police, customs officials and Border Patrol police are involved. U.S. narcotics authorities indicated, however, that in spite of widespread rumors of high level complicity in the narcotics trade, no evidence exists to substantiate those rumors.

There is a considerable difference between rumor and hard evidence upon which criminal prosecution, or other action, can be initiated. For example, officials at the U.S. Embassy in Bangkok insisted that they are devoting a great deal of time and resources to the collection of evidence of high level corruption in narcotics but without success. The consensus among U.S. officials was that if anybody had information of such corruption "they wish that they would let the Embassy know" so they could follow up on the allegations.

Yet on October 11, 1972, the Deputy Commander of the Crime Suppression Division of the National Police, Col. Pramuan Vanigblandu was relieved because of involvement in illegal narcotics dealings.

Prior to that, on Sept. 30, 1971, General Prasert, Director General of the National Police was retired ostensibly due to his age. According to U.S. officials, Prasert was involved in many corrupt practices but not narcotics.

In a followup interview in Washington a reliable U.S. official told the Survey Team that Prasert had been involved in narcotics and that this was the reason for his retirement.

Other U.S. officials contend that this is not so and that there is still no evidence to implicate Prasert in narcotics. These same officials, however, surmising that Prasert was possibly protecting Pramuan, speculate that Thai authorities knew about Pramuan's involvement but "could not touch him" as long as Prasert remained Director General of the police.

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This raises several questions: Were U.S. authorities in Thailand aware of Pramuan's involvement? Was Prasert protecting Pramuan and was this information available to U.S. officials? If the answer to these questions is affirmative, why did U.S. officials in Thailand tell the Survey Team that there was no evidence of high level involvement in narcotics among officials of the Thai Government?

South Vietnam

Background

American concern over narcotics traffic in Southeast Asia did not arise until early 1971 when reports of serious heroin addiction among GI's stationed in South Vietnam began to surface. In May 1971 a Foreign Affairs Committee study mission composed of Representatives Morgan F. Murphy and Robert H. Steele, reported that 10 to 15 percent of all U.S. troops then stationed in South Vietnam were addicted to heroin in one form or another, and, in some units, the addiction rate was estimated as high as 25 percent. Those GI's on heroin smoked it, sniffed, or "snorted" it, and an estimated 5 to 10 percent of users injected it.

There are several underlying factors which contributed to this epidemic use of heroin. Among them were the ready availability of heroin, boredom, and the fact that youthful GI's merely reflected the burgeoning drug culture in American society as a whole. While some of those on heroin in South Vietnam were found to have been users in the States, most encountered the drug for the first time in South Vietnam.

Prior to the extensive use of heroin by U.S. troops, marijuana was the popular drug among GI's. However, in a program instituted by the United States Military Assistance Command-Vietnam (MACV) in November 1966, an all-out effort to eradicate marijuana smoking was initiated. U.S. and Vietnam officials set about to defoliate and destroy the abundant marijuana fields located throughout the country. Those convicted of using marijuana were strictly disciplined.

The rise in the incidence of heroin abuse coincides with the U.S. military's crackdown on marijuana. Because heroin can be consumed more discreetly than marijuana its use became more widespread as the restrictions on "pot" increased. In addition, GI's fell under the dangerous illusion that heroin consumed by means other than injection is not addictive. Unfortunately, for the naive users, nothing could be further from the truth. Thus, in Vietnam, it is possible that the absence of marijuana, not its use, led to a GI addiction rate of epidemic proportions.

United States-Vietnamese actions against drug trafficking and abuse in Vietnam—1971-1972

Although MACV launched its first Drug Abuse Suppression Program in December 1970, and the United States conveyed its concern to President Thieu in January 1971, it was not until the May 1971 that measurable action was taken either to combat trafficking or to detect and treat heroin addicts.

On May 3, 1971, the U.S. Ambassador and MACV Commander presented a memorandum to President Thieu setting forth recom-

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The most ambitious of these relationships is that existing between U.S. AID public safety personnel and the GVN's National Police. While BNDD and Customs agents concentrate on day-to-day operational and intelligence aspects, the Public Safety sector of U.S. AID programs incountry emphasizes institution building in the field of narcotics suppression.

Under the current program, 11 Public Safety Advisers (one full-time) are assigned specifically to narcotics training, intelligence gathering and suppression. Commodities and equipment and participant training are supplied through the normal AID police assistance program. Public Safety funding for narcotics suppression in South Vietnam for fiscal year 1973 is around $500,000 out of a total budget of $6,179,000.

During the period 1969–71, a total of 1,023 police investigators were trained in narcotics and 486 are now performing specialized work in the Vietnamese Narcotics Bureau and in covert teams assigned to key drug abuse areas. Narcotic identification has been introduced into the curricula of all National Police Training schools and the police are engaged in a public education program. Included in the training of police personnel in narcotics, is a program for 67 to be trained in the U.S.

As of July 10, the GVN had carried 1,353 investigations in 1972, made 2,324 narcotics arrests in 1972 and seized 13 kilos of heroin.

Further, in the field of legal activity, President Thieu promulgated, on August 12, 1972, a new tougher law on the eradication of toxic, narcotic, and dangerous substances. A comprehensive measure, Thieu's decree provides for life imprisonment of those involved in importation, exportation, speculation, production, or transportation of opium, morphine, heroin, and cocaine. Moreover, if the offender belongs to a "well-organized group", he will be subject to the death penalty. (For the text of the law, see appendix E.)

United States-GVN Customs programs

Whereas the U.S. Army-run Joint Customs Group, established in December 1970, has been effective in preventing GI's from smuggling drugs out of Vietnam, Vietnamese customs officials have been lax in the past. At the height of the GI heroin addiction epidemic in South Vietnam, U.S. Customs advisers conducted a computer study of imports at Tan Son Nhut Airport which revealed numerous violations and irregularities.

Based on those findings, the U.S. Ambassador directed U.S. Customs advisers to insist on a crackdown on lax customs practices at Tan Son Nhut. Following that directive, the U.S. Commissioner of Customs visited Vietnam to discuss upgrading GVN customs with that Government's Director General of Customs. As a result of those discussions, a "Narcotics Squad" was created within the framework of Vietnamese Customs and a joint decree issued by the Ministries of Economics and Finance ordered the flow of unlicensed imports of air cargo through Tan Son Nhut stopped.

Despite those actions, by January 1971 open smuggling through the Tan Son Nhut passenger terminal increased and threats of violence were made against U.S. Customs advisers. On February 27, 1971, these irregularities in Tan Son Nhut Customs were officially reported to the Director General of Customs who, the following month, requested

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additional U.S. Customs advisers to help solve the problem at the airport. Nevertheless, threats against U.S. advisers increased.

On April 15, 1971, additional U.S. Customs advisers arrived at Tan Son Nhut.

After a series of inter-governmental high level meetings during which U.S. officials urged their Vietnamese counterparts to set a high priority on the narcotics enforcement, President Thieu ordered the following steps taken to tighten Vietnamese customs:

(1) The Director General of Customs was replaced and other high GVN Customs officials, including a brother of the Prime Minister, were transferred to less sensitive positions;

(2) Customs checks and security measures at Tan Son Nhut Airport were tightened;

(3) All police, customs, and military security service personnel at the airport were replaced;

(4) The airport customs area was rearranged to facilitate better control and deny access to unauthorized persons.

U.S. Officials claim that, as a result of these measures, narcotics smugglers in Laos, Thailand, and elsewhere have been forced to find other points of entry into Vietnam.

In May 1971 the GVN took steps to seal off airports and harbors, particularly Danang, Vung Tau, and Saigon harbors, through which most narcotics and other contraband appeared to be entering at that time. And, in July 1971, with the approval of the GVN's new Director General, U.S. Customs advisers were dispatched to Danang, Nha Trang, Cam Ranh Bay, Qui Nhon, and Chu Lai on the sea coast, and to Tan Chau, Chau Doc, Go Sau Ha, and Ma Tien on the Cambodian border.

When the Survey Team met in August 1972 with U.S. Customs agents assigned to Vietnam, the latter pointed out that, like U.S. AID public safety experts and the National Police, U.S. customs relationship with the local customs organization is one of institution building. U.S. agents do not work with their counterparts on an operational basis for the Vietnamese fear that the presence of Americans would draw fire.

In the view of the U.S. Customs agents interviewed by the Survey Team, the situation has improved considerably over the past 1½ years. They regard the new Director General of Customs, Colonel Cao Van Khanh, who is the former head of the GVN's equivalent to the CIA, as a capable and aggressive official. His predecessor, on the other hand, was termed ineffective and possibly corrupt.

Extent of official involvement in drug traffic in South Vietnam

Since attention was initially focused on Southeast Asia as a potential source of supply of heroin for the U.S. market, a wide range of charges and allegations involving high ranking officials of the area's governments have been made. In the case of South Vietnam, those charges have implicated high officials in the GVN including President Thieu, Vice President Ky, and Prime Minister Khiem as well as several high ranking military officers.

During the course of its investigation executive branch officials representing the White House, State Department, Customs, BNDD and CIA, told the Survey Team that there is no "hard evidence"

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In a section on Hong Kong, the Survey stated that the Crown Colony was not only a major consumer of illicit opiates (150,000 users, est.), but also a major transit point. Playing down the Survey, Commissioner Rolph denied that Hong Kong was a major transit point for drug traffickers, although he admitted that the port is used "to a certain extent." Another Hong Kong Government drug expert, Dr. L. K. Ding, also disputed the Survey's estimate of local drug users by contending that the figure should be between 80,000 and 100,000 and no more. Clearly, there is a stark difference of opinion between the two governments as to the importance of Hong Kong in the international framework.

THE UNITED STATES MISSION

To coordinate the United States antidrug effort in Hong Kong, the United States Consulate has established three groups designed to deal with all aspects of the problem. At the top is an overall mission committee on which everyone tasked with a narcotics assignment is represented. The second group acts as a liaison to the Hong Kong Community with the local chamber of commerce acting as the focal point. The U.S. Consul General, started the program when it became evident that young people in the American community were becoming heavily involved in drugs. The third group is the intelligence committee, which included representatives from the enforcement and intelligence agencies of the Consulate. This committee will soon be expanded to include representatives from the immigration section, the Defense Liaison, and Customs.

While the Survey Team was told the antidrug effort was one of the Consulate's highest priorities, one official complained that, aside from those associated with enforcement agencies, the other members of the mission do not give the problem proper attention nor are they motivated to do so.

Apart from the dissatisfaction on the part of some Hong Kong based United States officials with the United States Consulate's antidrug effort, Hong Kong's position in the regional framework was also criticized. Although it is a major consumer, conduit, and financier of narcotics trafficking, originating in Southeast Asia, Hong Kong operates under BNDD's Far East region which includes Manila, P. I. (the regional headquarters), Tokyo, Seoul, Japan and Okinawa. Representatives of the United States Narcotics Control Committee told the Survey Team that if Hong Kong were placed in the Southeast Asia region that the overall narcotics suppression effort in that area would be more effective.

In terms of intelligence collection, the United States Mission in Hong Kong admittedly has gotten a late start. As a result, the estimates citing local consumption, prices, and local narcotics operatives are dated and misleading. Indicative of the shortcomings of narcotics intelligence in Hong Kong is the fact that no concrete information is available on the heroin "chemists" who originate in the Colony.[10] It is widely assumed that Hong Kong is a major source of these technicians who are vital to the heroin trade. Yet, without a solid fix on their movements, they will continue to operate with impunity.

[10] These "chemists" are not university-trained but could best be termed "brew-masters" who have learned their trade through apprenticeship.

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While the United States Consulate recognizes the problems inherent in Hong Kong, there has been only a nominal effort to alleviate those conditions through United States assistance. For example, in November 1971, the consulate's overall narcotics action committee drafted a request for $190,000 to send local law enforcement officials to the United States for narcotics training. However, there has been no follow-up on this request. Given the fact that Hong Kong only has one man per mile of coastline in enforcement work and given the staggering amount of traffic through the Colony, a major effort to upgrade local enforcement capabilities is needed.[11]

The Peoples Republic of China

Actually, little is known about opium production in mainland China. That country is not a signatory of the Single Convention on Narcotics and does not report production figures or control procedures to the United Nations. It is known that the Government of the Peoples Republic of China does control the production and use of opiates in China.

According to several U.S. officials in Southeast Asia, it is possible that some of the opium which is produced in the part of Yunnan Province which borders the Golden Triangle is transported into Burma. It is the opinion of these officials, however, that if any opium does enter the world markets, it does so in spite of the government of the Peoples Republic of China and not with official approval.

There have been reports that such controls do not extend outside of China and that the Peoples Republic is involved in the production and illegal export of narcotics.

For example, the *Washington Post* reported on October 8, 1972, that "The Soviet Union is currently accusing China of involvement in the production and illegal export of narcotics." In addition, on May 17, 1972, a Miss Yuan Moun-Ru, a political refugee from mainland China, told the Subcommittee on Asian and Pacific Affairs of the House Committee on Foreign Affairs that she saw the Chinese Communists Liberation Army growing opium. She further stated that "it is illegal to sell opium or other narcotics in Communist China, although a black market in opium exists. The government controls all the opium for exports, especially for the United States."

U.S. narcotics officials on the other hand cannot verify these reports. The official U.S. Government position has been outlined by the Cabinet Committee on International Narcotics Control in the World Opium Survey, 1972. In that document, the Cabinet Committee stated:

> There is no reliable evidence that China has either engaged in or sanctioned the illicit export of opium and its derivatives nor are there any indications of government participation in the opium trade of Southeast Asia and adjacent markets. British authorities in Hong Kong believe that most of the opium and related narcotics seized in Hong Kong in recent years comes into the Colony by sea from Southeast Asia.

This was also the consensus among those U.S. officials in Southeast Asia.

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[11] 7,700 ships load and unload yearly and twice that number pass through with more than 1 million passengers. In addition, ferries carry 1½ million passengers between Hong Kong and Macao.

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U.S. NARCOTICS CONTROL ASSISTANCE PROGRAMS IN SOUTHEAST ASIA

Prior to fiscal year 1972, the United States did not provide assistance specifically for international narcotics control activities in Burma, Laos, Thailand, Cambodia, and South Vietnam. In some instances prior to fiscal year 1972, AID Public Safety Advisers with narcotics control experience did assist the local governments as a part of the overall Public Safety Program. On June 17, 1971, in a special message to Congress, the President announced a major worldwide expansion in existing programs to control the illicit international traffic of narcotics and dangerous drugs. In that message, the President requested an amendment to the Foreign Assistance Act which would permit assistance to any country willing to cooperate in antidrug efforts. The Congress incorporated the President's request in section 481 of the Foreign Assistance Act of 1971. Section 481 also included a provision which requires the President to cut off economic and military aid to any country which he determines to be uncooperative in the narcotics control effort. This latter provision has never been invoked.

Since the beginning of fiscal year 1972, the United States has provided a total of $2,627,000 in narcotics control assistance to Laos, Thailand, and South Vietnam. For fiscal year 1973, the executive branch has programed $2,193,000 for narcotics control assistance in Southeast Asia.

In Laos, a total of $1,100,000 was obligated for narcotics control activities in fiscal year 1972. This amount includes equipment and training for Lao narcotics control personnel and support for a pilot methadone maintenance program which was initiated after Laos outlawed the use of opium in November 1971. In addition to direct assistance to the Lao Government, the United States funds staff support in Laos provided by BNDD and Customs personnel and a program of reward payments to informants. The fiscal year 1973 proposed program for Laos is $1,532,000.

In Thailand, a total of $1,028,000 has been obligated for fiscal year 1972. Of that sum, $28,000 was allocated for research on drug addiction and training. The larger portion, $1 million, has gone to support the purchase of 26 tons of illicit opium. The details of the transaction are discussed elsewhere in this report. The United States intends to furnish $1,184,000 in fiscal year 1973.

Narcotics control programs in South Vietnam in fiscal year 1972 totaled approximately $500,000, principally for advisory salaries and the cost of training programs administered by Customs, Public Safety, and BNDD personnel. The fiscal year 1973 program in South Vietnam is expected to remain at about $706,000.

In the case of Burma, no funds have been expended nor are any programs planned in the immediate future. While there is a strong desire on the part of the United States to assist Burma in its antinarcotics activities, Burma is not willing to accept external aid. A detailed

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THE U.N. FUND FOR DRUG ABUSE CONTROL

The United Nations established a Fund for Drug Abuse Control on April 1, 1971. At the outset, the Secretary General indicated that member nations were expected to voluntarily contribute $5 million annually for the first few years and about $20 million thereafter.

The objective of the Fund is to furnish assistance to governments, international organizations, and specialized agencies in their efforts to:

(1) Limit the supply of drugs to legitimate requirements by putting an end to their illegal or uncontrolled production, processing and manufacture, making use of crop substitution or other methods, as appropriate;

(2) Improve the administrative and technical capabilities of existing bodies concerned with the elimination of the illicit traffic in drugs;

(3) Develop measures to prevent drug abuse through programs of education and special campaigns, including the use of mass media; and

(4) Provide facilities and develop methods for treatment, rehabilitation, and social reintegration of drug dependent persons.

The Fund intends to support the expansion of research and information facilities of United Nations drug control bodies; the planning and implementation of programs of technical assistance in pilot project for crop substitution purposes; the establishment and improvement of additional drug control administration and enforcement machinery, the training of personnel and the setting up or expanding of research and training centers which could serve national or regional needs; the enlargement of the capabilities and the extension of the operation of United Nations drug control bodies; the promotion of facilities for the treatment, rehabilitation and social reintegration of drug addicts; and the development of educational material and programs suitable for use on high-risk populations.

The first major country program to be financed under the U.N. Fund is in Thailand. A U.N.-Thai agreement approved in December, 1971, includes projects to replace opium poppy cultivation by substitute crops. The U.N. will also assist Thailand in the treatment and rehabilitation of drug addicts, in the suppression of illicit drug traffic, and in creating drug education and information programs. The cost of the program to the U.N. Fund will be about $2 million. The U.N. Division of Narcotic Drugs is the executing organization, with technical assistance from the Food and Agricultural Organization (FAO) and the World Health Organization (WHO).

The Fund is exploring in cooperating with the U.N. Specialized Agencies comprehensive drug abuse control programs with other governments in critical areas, and is stationing representatives in major regions to provide advice and assistance to governments.

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CONCLUSIONS

(1) The Cabinet Committee on International Narcotics Control is not as active as it should be. It is comprised of autonomous departments, bureaus, and agencies of the Federal Government, each jealous of its authority. As a result, coordination of the anti-narcotics effort is conducted on a person-to-person basis rather than institutionally.

(2) U.S. anti-narcotics programs are often formulated on an ad hoc basis rather than upon well conceived, well thought out, well coordinated processes.

(*a*) Bureaucratically and logically the Office of National Narcotics Intelligence would have been more responsive to the requirements of the Cabinet Committee had it been placed in the Bureau of Narcotics and Dangerous Drugs.

(*b*) The preemptive purchase of opium from the Chinese Irregular Forces in northern Thailand set a bad precedent which could encourage increased production of opium in the Golden Triangle.

(*c*) The decision to send 25 Customs agents overseas to collect narcotics intelligence will result in duplication of effort. The Central Intelligence Agency, BNDD, the Department of State, and other U.S. Government bureaus and agencies are already collecting such intelligence. The problem in the past was not a lack of intelligence but an inability to exploit it properly.

(*d*) BNDD and Customs Intelligence collection efforts abroad would be more effective if all of the BNDD and Customs agents spoke the language of the country in which they are operating.

(3) The production and trafficking of opium and its derivatives, morphine and heroin, is regional in scope. Efforts to solve this problem will require regional programs, regional cooperation, and a complete and frank exchange of intelligence on producers, financiers, traffickers, routes, and users. Intergovernmental cooperation in the Southeast Asia region which has been disappointing to date, must be vigorously pushed by the United States.

(4) The willing and wholehearted cooperation of foreign governments is essential if U.S. objectives to bring international narcotics under control are to be achieved. All U.S. mission components in Southeast Asia have been fully mobilized in the fight to suppress the narcotics traffic, and coordination both within the missions and with the host governments has resulted in a significant decline in trafficking operations. There was no evidence that any U.S. Government agency was implicated in the narcotics traffic in Southeast Asia.

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State should bring this matter to the attention of Her Majesty's Government in London.

(10) The Cabinet Committee on International Narcotics Control should be strengthened.

(11) A full-time White House official with authority to formulate and coordinate narcotics control policy and programs should be appointed.

(12) The Office of National Narcotics Intelligence be transferred to BNDD and integrated with that Bureau's Office of Strategic Intelligence.

(13) Only personnel who speak the language of the country in which they operate be assigned to intelligence collection duties abroad.

(14) Narcotics assistance funds be allocated in such a way as to enable the United States to furnish assistance on a grant basis regardless of whether it originates with BNDD or AID and steps taken to preclude interagency competition for funds.

(15) Congress authorize and appropriate international narcotics control assistance funds on a line item basis to insure that funding requests do not become excessive.

(16) Congress require periodic reports from the executive branch showing the amount of assistance furnished to each country including the type, quantity, and value of equipment furnished. This report should also contain data giving amounts spent by all agencies of the Federal Government on international narcotics cotrol programs including personnel salaries, allowances, and U.S. overhead costs.

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JOURNAL

SCHEDULE OF MEETINGS, INTERVIEWS, AND DISCUSSIONS

TOKYO, JAPAN—AUGUST 16–18

Mr. John F. Lindsay, Special Agent, Bureau of Narcotics and Dangerous Drugs (BNDD)
Mr. Larry Delaney, Special Agent, Bureau of Customs
Mr. Carl V. Oldham, Commander, District 46, Office of Special Investigations (OSI), U.S. Air Force
Dr. Samuel E. Andrew, Commandant, USAF Hospital, Tachikawa Air Base
Mrs. Maryada Frank "Becky" Buell, Political Officer, U.S. Embassy
Mr. Kuniji Oshiki, Chief of Tokyo Metropolitan Police Vice Squad
Mr. Yukio Saito, Chief of Intelligence Unit, Narcotic Section, Pharmaceutical and Supply Bureau, Ministry of Health and Welfare
Mr. Tokuo Yoshida, Technical Official of the Narcotic Section
Mr. David Brown, Political Officer, U.S. Embassy

HONG KONG—AUGUST 18

Mr. Robert Furey, Special Agent BNDD
Mr. Vincent Durant, Special Agent, Bureau of Customs

SAIGON, SOUTH VIETNAM—AUGUST 18–20

Mr. Charles Hill, Executive Secretary, United States Embassy
Colonel B. H. Russel, Jr., Provost Marshall, U.S. Military Assistance Command, Vietnam
Mr. Charles Whitehouse, Deputy U.S. Ambassador
Lt. Gen. William J. McCaffrey, Deputy Commanding General, U.S. Army, Vietnam.
Mr. Michael McCann, Public Safety Director, U.S. AID
Mr. Fred Dick, Regional Director, BNDD
Mr. William Burgess, narcotics specialist, U.S. AID
Col. Nguyen Khac Binh, Commander South Vietnamese National Police
Mr. Pham Kim Qui, Judge, Judicial Division, South Vietnamese National Police
Capt. Ly Ky Hoang, Director, Narcotics Section, National Police
Mr. George Mallory, Political Officer, U.S. Embassy
Mr. Walter Sampson, Political Officer, U.S. Embassy

AUGUST 20, 1972

Mr. Stephen Greene, Special Agent, BNDD
Mr. Allard Dheur, Special Agent, Bureau of Customs
Mr. Peter Tomaino, Special Agent, Bureau of Customs
Mr. Charles Easley, Special Agent, Bureau of Customs
Mr. Larry Thompson, Special Agent, Bureau of Customs

UDORN, THAILAND—AUGUST 20–21

Mr. David Reuther, U.S. Consulate
Mr. Michael Cook, Acting U.S. Consul
Maj. Kenneth J. Kwiatkowski, Chief Security Police, USAF, Udorn
Maj. Robert E. Lusk, Judge Advocate

VIENTIANE, LAOS—AUGUST 21–23

Mr. G. MacMurtrie Godley, U.S. Ambassador
Mr. Hugh Tovar, Political Officer, U.S. Embassy
Mr. Gordon Ramsey, U.S. AID Program Director

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Mr. Harry M. Allison, Assistant Director, Customs Assistance Division
Mr. Anthony J. Morelli, Narcotic Attache and Director, Vientiane District Office, BNDD
Mr. Blaine W. Jensen, Area Coordinator, U.S. AID
Mr. Ger Su Yang, Meo Village Chief
Mr. John Greenough, Area Coordinator, U.S. AID
Mr. Raymond Landgren, Chief, Public Safety Division, U.S. AID
Mr. Gordon Young, Public Safety Advisor for Narcotics
Mr. Frank Craig, Public Safety Advisor for Narcotics
Mr. Jack Huxetable, U.S. AID Area Coordinator
Mr. Delbert Spiers, Chief, Public Safety Adviser
Lt. Gen. Khamhou Boussarath, Commander, Groupe Spéciale d' Investigation (GSI)
Gen. Ouan Rathikoun, former Chief of Staff, Royal Laotian Army and current Member of Laotian Parliament representing Luang Prabang Province
Mr. Richard C. Howland, Acting Deputy Chief of Mission
Mr. William Le Clerk, Chief U.S. Customs Division, U.S. Mission in Laos
Mr. Edgar "Pop" Buell, U.S. AID
Mr. James B. Chandler, Deputy Director, U.S. AID Laos
Mr. Walter F. Stettner, Economic Advisor, U.S. AID Laos

BANGKOK, THAILAND—AUGUST 23

Mr. Leonard Unger, U.S. Ambassador
Mr. Edward E. Masters, Deputy Chief of Mission
Mr. Laurence Pickering, Political Counselor
Mr. Harlan Y. M. Lee, Political Officer

RANGOON, BURMA—AUGUST 24

Mr. Edwin W. Martin, U.S. Ambassador
Mr. William M. Owen, Chief, Political/Economic Section, U.S. Embassy
Mr. Clyde R. McAvoy, Political Officer
Col. Archie W. Summers, Defense Attaché
Mr. U Pyi Soe, Director, United Nations and Economic Department, Burmese Ministry of Foreign Affairs
Mr. U Pe Thien Tin, United Nations Division, Ministry of Foreign Affairs
M. U Ohn Maung, Additional Officer, Excise Office
Mr. U Ohn Maung, Additional Officer
Mr. Daw Than Han, Chief Europe and American Division, Ministry of Foreign Affairs
Mr. A. K. Surani, Acting Resident Representative, United Nations Development Program
Dr. J. J. Latigue, Acting Representative to Burma, World Health Organization

BANGKOK, THAILAND—AUGUST 25–27

Mr. Edward Masters, DCM
Mr. Laurence Pickering, Political Counselor
Mr. Fred Dick, BNDD Regional Director
Mr. Paul Riley, USOM Public Safety Director
Mr. W. E. Burmester, Public Safety Adviser
Mr. Joseph B. Jenkins, Special Agent, United States Customs
Mr. Joseph N. McBride, USOM, Assistant Program Director, Narcotics
Mr. Carl R. Fritz, USOM, Assistant Director for Programs
Mr. Daniel R. Niesciur, Political Officer
Mr. Edward B. Rosenthal, Special Assistant to BNDD Regional Director
Mr. Richard Harkness, Public Affairs Director, Cabinet Committee on Narcotics
Mr. Lewis Lapham, Special Assistant to the Ambassador
Mr. Kamchorn Sathrakul, Director of Tariff, Royal Thai Government
Mr. Paul Samaduroff, Special Agent, Bureau of Customs

CHIANG MAI, THAILAND—AUGUST 28–29

Mr. James Montgomery, U.S. Consul
Mr. James Bullington, U.S. Vice Consul
Mr. David G. Smith, USIA Officer
Mr. James Pettet, Special Agent in Charge, BNDD

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(Other Consulate Officials)
Colonel Shukiat, Commander, Special Narcotics Organization (SNO)

BANGKOK, THAILAND—AUGUST 30–31

Lt. Col. Gene D. Hunter, Commander, District 51, USAF Office of Special Investigation
Maj. Richard Troyer, Chief, Criminal Investigation Division, District 51
Gen. Nitya Bhanumas, Secretary-General of the Thai Central Bureau of Narcotics
Mr. Paul Brown, Special Agent, BNDD
Gen. Kriangsak Chomanan, Deputy Chief of Staff, Supreme Command, Royal Thai Armed Forces
Mr. John Everingham, Australian photographer/reporter for Dispatch News Service
Lt. Col. Matteo Salemi, Commander of the U.S. Air Force Postal and Courier Service, Thailand
Mr. William N. Stokes, Counselor for Development and Security Affairs (DSA)
Lt. Gen. Thao Ma, former commander of the Royal Laotian Air Force, now in exile in Thailand
Col. Billy J. Cole, DSA
Mr. Charles R. Penney, DSA
Police Special Colonel Pow Sarasin, Chief of Foreign Assistance
Police Colonel Chawalit Yodmanee, Deputy Chief of Foreign Assistance
Mr. I. M. G. Williams, Representative of the United Nations Fund for Drug Abuse Control
Mr. Kun Chit Posayanonda, Representative of the United Nations Fund for Drug Abuse Control

HONG KONG—SEPTEMBER 1–2

Mr. David Dean, Consulate International Relations Officer
Mr. Donald Barton, China Mainland Specialist
Mr. Robert J. Furey, Special Agent, BNDD
Mr. Vincent E. Durant, Special Agent, United States Customs
Mr. Bruce Walker, China Mainland Specialist, U.S. Consulate
Mr. Dwight E. Scarborough, Chief, Hong Kong Macao Section
Mr. Richard C. Raines, Defense Liaison Officer
Mr. Robert H. Leeper, United States Information Service
Barbara Bodine, Consular Section
Lee Hickcox, Consulate Officer

Prior to departure and upon returning, the Survey Team met with the following government officials and individuals:

WHITE HOUSE

Mr. Egil Krogh, Executive Director, Cabinet Committee on International Narcotics Control
Mr. Walter Minnick, Chairman, Coordinating Subcommittee of the Cabinet Committee's Working Group.

DEPARTMENT OF STATE

Mr. Nelson G. Gross, Senior Advisor to the Secretary and Coordinator for International Narcotics Matters
Mr. Harvey Wellman, Special Assistant to Secretary for Narcotics Matters.
Mr. Arthur W. Hummel, Jr., Deputy Assistant Secretary, Bureau of East Asian and Pacific Affairs
Mr. William H. Sullivan, Deputy Assistant Secretary, Bureau of East Asian and Pacific Affairs
Mr. John B. Dexter, Director of the Thailand/Burma Desk
Mr. Terrance Grant, Desk Officer, Laos

DEPARTMENT OF THE TREASURY (BUREAU OF CUSTOMS)

Mr. Walter Shanley, Chief, Foreign Operations
Mr. Robert Teela, Operations Officer, Division of Inspection Control and Enforcement

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DEPARTMENT OF JUSTICE

Mr. George M. Belk, Program Manager for International Affairs, Bureau of Narcotics and Dangerous Drugs
Mr. William Sullivan, Director, Office of National Narcotics Intelligence
Mr. Lucien Conein, Strategic Intelligence Office, Bureau of Narcotics and Dangerous Drugs
Others: various officials of the Central Intelligence Agency involved in narcotics intelligence and Maj. Gen. Edward G. Lansdale, U.S. Army, retired

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APPENDIX A

Translation of a Letter Prepared by National Assembly Deputy and Former Lao Armed Forces Commander-in-Chief General Ouan Rathikoun on April 10, 1972

The following is a "translation of a letter prepared by National Assembly Deputy and former Lao Armed Forces Commander-in-Chief General Ouan Rathikoun" and sent by him to Prime Minister Souvanna Phouma "on April 10, 1972." The letter was subsequently sent to all members of the National Assembly under a covering letter signed by the President of the National Assembly Phoui Sananikone.

"The Sixth National Assembly passed the government bill banning the cultivation of the opium poppy and the trafficking of opium in the Kingdom.

"The law was passed quickly and the cultivators of the opium poppy, the opium addicts and the opium traders were not given advance warning.

"On June 1, 1970, I wrote a report on opium growing areas in Laos and sent it to you. My report was later published in the *Xat Lao* newspaper and in booklets. It is a report on facts about the living conditions of the people in six northern provinces—Houa Khong, Phongsaly, Sayaboury, Sam Neur, Xieng Kouang and Luang Prabang, the opium growing areas in Laos.

"Some foreigners and Laotians have assumed that I, General Ouan Rathikoun, was involved in trading and trafficking of illicit opium in Laos. Though I am blamed, I am still proud of the service I have performed for helping my compatriots. Born in this nation, I am very proud of the part I have played in liberating our country, on many occasions at the risk of my life.

"I am writing to you in all sincerity and telling you the truth. I wish to ask that you yourself try to better the living conditions of the people who live in the mountains.

"I have never been interested in opium because, born in Luang Prabang, I used to see the cultivation of the opium poppy and the private and official trading in opium each year. I saw that the Government permitted some merchants to purchase opium from hilltribesmen and sell it to the Government. From 1945 to 1954, when I was involved in guerrilla work in northern Laos, I saw opium poppy plantations in every village of the Meo, the Eko, the Kouy, the Muser and the Laytene (Lantene) peoples. Therefore, I have been able to write about the facts in my booklet.

"In 1955 when I was the Commander of Military Region I, I officially reported to the Government that a plane of Thai merchants frequently landed at a tobacco plantation at Ban Ton Pheung (possibly PC 1545), Houa Khong Province. After receiving my report, the Government ordered us to try to arrest the Thai merchants. In its order, the Government said that it would award us if we could arrest them. After receiving the order, we planned to arrest the Thai merchants who carried opium. In arresting them, there was a firefight and two of our soldiers were killed. One of those who carried opium was killed, two of them were wounded, and three of them, who were Thais, were arrested. We captured 950 kilograms of opium hidden inside empty bomb casings.

"By order of the Government, all prisoners were sent to Luang Prabang where they were sentenced to imprisonment by the Court. The captured opium was sent to Vientiane as ordered.

"The military officers and men who carried out their duty of suppressing the opium merchants fully expected to receive awards. However, after long waiting, they have not yet received them.

"In Vientiane, the captured opium was delivered to the Central Warehouse of the Customs Department where it hardened to such a degree that it could no longer be refined. In 1960, the year of the Kong Le coup, when the captured opium was inspected, it had hardened completely.

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"In 1963, General Phoumi Nosavan, Deputy Prime Minister and Minister of Finance, issued an order permitting me to control opium and the opium traders. The order is herewith attached:

'AUTHORIZATION

'A. Mr. Saveng, Manager of the SACDA Company in Vientiane is authorized to proceed with the purchase and sale of opium within the Kingdom of Laos.

'B. The circulation of the products belonging to said company within the territory of Laos will be free and assured by the Ministry of National Security of which General Ouan Rathikoun is the permanent representative.

'C. The sale of this opium to the smokers of Laos is absolutely prohibited, except with the special authorization of the Ministry of National Security.

'D. As the representative of the Ministry, General Ouan Rathikoun is empowered to deliver all authorization in view of facilitating the functioning of the company.

'E. The details of application will be made in a new contract between General Ouan Rathikoun, representative of the Ministry, and Mr. Saveng, representative of the SACDA Company.

'Vientiane, 7 October 1963
Vice President of the Council
of Ministers
Signed and Sealed
Division General
Phoumi Nosavan'

"After being ordered to do so in 1963, I learned about those who traded in opium and about the quantity of opium produced in Laos and sent from Burma. I also learned of the number of opium addicts in Vientiane.

"After having controlled opium for five months, I saw that it was not good to continue to control it because such control was criticized by foreigners. I then sent my report to General Phoumi, informing him that it was not good to control opium because all merchants were transacting their sales and purchases outside the established channels, since they were losing money by remaining in channels.

"General Phoumi then issued an official order for stopping the control of opium on 2 May 1964.

"At that time, after the Government had issued its order for stopping the control of opium, General (Thao) Ma was Commander-in-Chief of the Royal Lao Air Force. Instead of commanding all 1,250 men of the Air Force, General Thao Ma controlled only 40 pilots of the T–28 planes. He did not control the transportation personnel and the personnel of other section of the Air Force. That caused a lack of discipline among officers of the Air Force. These officers were hired to transport things and they did so because they needed money. There was no discipline in the Air Force and the men of the Air Force played the game of nepotism until General Thao Ma flew to another country after he bombed a military camp in Vientiane.

"In 1966, after General Thao Ma had fled, General Sourith was appointed Commander-in-Chief of the Royal Lao Air Force, a position which he still holds.

"I called a meeting of the Air Force officers from throughout the country at the Wattay Air Force Camp.

"I asked them to maintain discipline in the Air Force and prohibited them from being hired to transport illicit goods. After being told by some of the Air Force officers about their poor living conditions, I decided to allow them to transport goods on the condition that the transportation must be organized and made under only one chief's orders; there must be no transportation of private goods for any officer of the Air Force; the transportation must occur in the Kingdom of Laos only; here must be no transportation of goods outside the Kingdom of Laos; and it must be the duty of the merchants themselves to transport goods outside of Laos.

"Seventy percent of the income from this activity went to the Air Force, 15 percent to the pilots, 10 percent to those who worked on the ground, and five percent to the mechanics.

"At the same time, I contacted the U.S. Government asking it to aid the Air Force. I told the U.S. Government that if the Air Force was given aid, it would stop completely the transportation of opium. My request was considered by the

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U.S. Government. Later, in 1969–70, the U.S. Government sent its administrative experts to investigate. After their three-month investigation, no change was made. Later, in 1971, the U.S. Government began to pay sufficient per diem to pilots. At the present time, the U.S. Government still pays them per diem.

"*Reports on Opium.*—Since the year 1963, I have known that there are three kinds of opium transported by the merchants.

"A. Raw opium for sale in the Singapore, Malaysia, and Hong Kong markets.

"B. 100 percent manufactured opium that can be smoked immediately, for sale only in Saigon, South Vietnam.

"C. Morphine for sale in Hong Kong and other unkown places.

"Later in 1971, no raw opium and morphine were known to be transported through Laos. Only 100 percent manufactured opium was seen. Heroin, another kind of narcotics, has also been seen. It has been transported to the Saigon market.

"The new kind of narcotics (heroin) can be carried by the merchants themselves in small cases. Therefore, they stopped hiring the Air Force to transport opium in late 1971. The Air Force also was no longer interested in the transportation of narcotics because its men were being paid sufficient per diem.

"At the same time, in late 1971, the Government also had enacted the Narcotics Law.

"To produce heroin, there must be a special chemist, good equipment, and many kinds of chemical ingredients so the Lao people do not know how to produce it.

"*Opium Factory.*—In the year 1963, a factory for manufacturing opium was set up in Luang Prabang. Later, when the merchants were ordered to stop manufacturing opium, they moved their factory to a place North of Ban Houei He (PC–3597) bordering Burma, where they secretly manufactured it. They also manufactured it at a Yao village in the area North of Ban Nam Kheung (PC–3657 or PC–3054).

"In fact, the merchants secretly manufactured opium at various places on the Burma border.

"In 1971, the Ho came to Laos from Burma and Chiang Mai. They established two factories for producing heroin in the area of Nam Kheung, North of Houei Sai. They hired technicians from Hong Kong. At the beginning of their work, none knew that they were producing heroin. All understood that they were producing ordinary opium. After six months of production, some knew that they were producing heroin. After being informed that they were producing heroin, I ordered the Houei Sai Provincial Commander to order them to stop their production immediately. I told the commander to let the merchants know that if they refused to stop their work we would arrest them immediately. After receiving the order, the merchants stopped their work. In October 1971, they moved their equipment back to Burma. Only low grade equipment was left in the area North of Houei Sai.

"I believe that there is now no heroin production factory in Laos. The illegal factories were operating for only six months.

"*Proposal for Banning the Cultivation of the Opium Poppy, the Trafficking of Opium, and the Trading of Opium*—First of all, the merchants must be prohibited from trading in opium and they must be told to run other businesses which are better and honest.

"Next, the people must be prohibited from cultivating the opium poppy.

"I understand that the U.S. Government has allocated considerably large amounts of money for the narcotics suppression program. News reports said that the United States has given $20 million to the Turkish Government for the suppression of opium, which will be used in its development program under which its people will grow other crops instead of the opium poppy.

"Early this month, the U.S. Government also gave $2 million to the Thai authorities, which will be used in their attempts to suppress opium. In addition, the news reports said that the Thai authorities and the International Police purchased opium from the hill tribesmen living along the Burmese border areas and sent it to be kept in Chiang Mai. Most peoples possessing opium in areas bordering Burma are of the Kuomintang group, the General Li group, and the General Tuan group. These authorities bought about 30 tons of opium from the groups for almost $2.6 million.

"In Burma, the Burmese Government refused to allow the United Nations officials concerned with narcotics to get involved in its affairs. The Burmese Government itself will suppress opium. I understand that it is very difficult to

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suppress opium in that country because there is much opium in the Shan State. There is also much opium in the areas that cannot be controlled by the Burmese Government, particularly in the areas on the path leading to Lipa. There is also much opium in areas bordering China that cannot be controlled by the Burmese Government.

"In order to suppress the trafficking of opium from Burma to Laos and the trafficking of it in Laos, I propose that the Government ask the U.S. Government for money. I do not think that we need for U.S. $1 million for suppressing the opium trade.

"In fact, opium traders have together invested their funds and established their companies and hired managers to run their businesses. If the Government suppresses the companies, the traders will break up their partnerships and run other businesses and the opium trafficking will no longer exist. I want the Government to purchase the opium that the traders have on hand to be destroyed or used for medicinal purposes. These purchases would be on condition that the traders did not continue to trade in opium. I understand that the traders will be glad to stop trading in opium because they will be safe.

"Many people who cultivated the opium poppy in the six northern provinces had moved to live in areas controlled by the Government. Only those who live in the Neo Lao Hak Sat (NLHS)—controlled areas in Phongsaly, Muong Sai, Nam Tha and Muong Houn continue to cultivate the opium poppy. The Government should take this opportunity to ask the United States Government to provide it with equipment for clearing the lands and divide the land among those hill tribesmen as suggested by my booklet attached herewith."

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APPENDIX B

The Result of the Feasibility Study on the Opium Suppression in the Royal Laos

(By Gen. Ouan Rathikoun)

Opium is considered one of the narcotics, destroying health and properties of the world. I have been following up the "opium" story since 1962 which was the time of Finance Minister General Phoumy Norsavane, who ordered me to control opium and opium addicts. I have launched a heavy campaign on opium growing, opium trading, opium trafficking and opium marketing. I can give you the figure number of opium and tell you the necessity of opium growing to the best of my knowledge.

I therefore studied hard in an effort to tackle down the opium problem, especially opium growing, and can give you the details as follows:

WHY DO WE GROW OPIUM? No one knows where the opium originally came from. But some Chinese people said the Europeans had brought the opium in Asia for growing and smoking. The substantial evidence on this allegation could not be proved, it's just rumor.

The opium can grow in the hilly and mountainous area with cool climate. Consequently, the opium is stretchingly grown up along the Himalayas Range up to the Gulf of Tonkin. The countries in which the opium is available or grown are Turkey, India, Burma, Thailand, Laos, China and North Vietnam. Most of the opium is abundant in India, Burma, China and Turkey. In Laos, the opium grows in some Khouengs such as Phong Saly, Houa Khong, Louang Prabang, Samneua, Xieng Khouang, Xayabouri and a certain area east of Khoueng Khammouane. The 20–30 tons of opium product are harvested in Laos yearly. But its quantity is depended on the seasons. Most of the opium in foreign markets is exported from Burma, India, China and Turkey. The opium in Laos is mostly consumed locally though some is sent to Saigon, South Vietnam, for sale. Morphine and heroin are processed in Burma and Thailand; the Royal Laos of Kingdom does not know how to process them nor use them.

Some countries do not prohibit the people to smoke opium. So the hilltribemen can smoke. But some countries such as Thailand did not allow the people to smoke opium, Morphine and heroin are therefore processed from opium. I dare say that morphine and heroin which have been sent out for sale in Europe and the U.S. must not be from Laos because the Laotian people do not produce them for sale and do not know what drug is called heroin. Heroin should be processed from the countries which can grow a great deal of opium, such as Burma, India, Turkey, Thailand and Mainland China. There is a possibility that Red Chinese are conducting a retaliatory campaign through drugs against European and American people who firstly introduced opium in China in the olden days. We can jump into the conclusion that wherever Chinese are living, there is opium trade more or less.

Necessity of Growing Opium in the Royal Laos of Kingdom

Geographically speaking, Laos has had opium since the ancient time because opium is one of the Laotians' trade. I'm speaking what I have known and seen when I spent over ten years with the hilltribemen conducting our guerrilla units in the mountainous area. Laos is situated along the Mekhong River, bordering Vietnam to the east. Most of the terrain in Laos are hilly and mountainous, only some parts in the central Laos are plain while northern and eastern Laos are densed jungles. The population in Laos is totally 3 million. There are 46 tribes, included big and small ones. Almost half of the population is living in the mountainous areas, in which they mainly grow rice as their staple food. Rice in the high land has never grown up by flood water but by rain. It is necessary for me to talk about how the tribesmen are living because they have to face

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economic problems in their daily life every year. The cultivation of rice on the hill spends 10 months in a year. The tribesmen have to clear the forest in January or February for their next coming crops, leaving the cut-down trees dried in the sun until they are burnt in April or May. If it rains before April or May earlier, the trees will not be burnt, and that means no rice growing in that year. After the trees are burnt and the land is ready for plough but if there is no rain in June, sowing of rice seeds cannot be made. Sometimes, in June and July there is heavy rain, making the land too good for the rice seeds to grow but the grasses growing rapidly. If the grass is not destroyed, the rice cannot be grown and given its yield. Speaking in a short cut, the rice grows very well and can give the yield but many various natural damages such as fire, insects, beast animals, etc. destroy their crops. Concluded that there is no certainty for the tribesmen to receive the product which they spend almost a year to cultivate unless the grains of rice are kept in the barn. Some families do not have grains enough to consume all year around. Every year the tribesmen have to exchange their rice for what they need such as salt, clothings, medicines and others, excluding education for their children.

Each family can receive at most 500 muns of rice paddy or 30 sacks of milled rice a year. If the rice is sold, it can bring in not over 180,000 kip. Judging from the above reason, the tribesmen must grow other crops so that they can survive themselves in the jungle. Opium is one of the crops which the tribesmen grow beside their rice field. Also opium will grow well if the weather in that year is pretty cool; if not the opium will die. Many other factors hamper the growing of opium, such as fertilized land, fog, etc. Supposed that the opium grows well in the fine circumstances, each family will get the product not over 6 Pong or 2½–3 kilogrammes which cost about 70,000 kip. The opium which the tribesmen grow will be able to support their families when the hard-time comes, the rice in the field cannot produce good product, the opium will be sold or exchanged for their necessities. The annual products are conclusively brought in about 250,000 kip in the good year for each family.

HOW THE OPIUM IN LAOS IS EXCHANGED

The opium is regarded a media of exchange between the tribesmen and the merchants in Laos. The methods of exchange can be made as following:—

Many big companies in Vientiane which import some commodities to sell in the country have to be taxed, and some of them are in debt. The commodities which the tribesmen or the population in the mountainous areas need are clothings, household utensils, medicines, etc. The merchants from such remote Khouengs as Namtha, Phong Saly, Xieng Khouang, Sam Neua, Muong, Xay, Nam Bak, etc. come into Vientiane to place an order of those goods from the big companies have to pay the companies in cash or in credit sometimes. The merchants in those Khouengs mostly sell the goods to the tribesmen, who come down from the mountains and do not have cash to pay. They normally use the opium they bring along with to exchange for what they need. What can the merchant do when they do not have cash to buy the goods in Vientiane? They, of course, have to wait until some men go up and buy the opium they receive from the tribesmen. The companies in Vientiane by no means do receive opium when the merchants do not have money to pay. What can the merchants do if no opium trader goes to buy the opium from them? The merchants will not come to buy goods from Vientiane and the tribesmen will not be able to exchange their opium for the goods, and everything will be halted, even the companies in Vientiane or the nation's economic as a whole. Year after year if the event repeats itself, how can the country of Laos remain? The government must inevitably face the economic crisis. The worst situation will come up in the hard year when the opium product cannot be in marketing. That means the year of death for all people of Laos.

Turning to the opium merchants who buy the opiums from the remote Khouengs, they send the opium to foreign lands for sale in various forms. They know that South Vietnamese in South Vietnam prefer "cooked" opium, they cook for them; they know Singapore and Malaysia prefer "raw" opium, they do as the markets want. In fact, the opium merchants have brought foreign exchanges into the country as well as various commodities. Ironically speaking, most of the opium merchants in Laos run their business in Saigon, South Vietnam, only, because the Saigon market needs the cooked opium at 1,200 kilogrammes or 2,400 kilogrammes of raw opium. Some years, the opium grown in Laos was not sufficient to meet the demand of the Saigon market, particularly

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when the weather in that year was bad. This indicated that only 20-30 tons of opium can be yearly produced in Laos. The opium markets in Singapore, Malaysia, Indonesia and Hongkong receive the opium from Burma which channel through Thailand—the most convenient country, but most of the opium sent from Burma is the raw one.

Judging from various circumstances, opium grown in Southeast Asia should be consumed in Southeast Asian countries only. But the opium sent to Europe and America is mostly from Indian and Turkey, which are nearer and have better communication lines. The masterminds of processed heroin must be by all means in Thailand and Burma on the grounds that heroin was produced after the ban of smoking opium by using the pipe and the fire-lamp in the reign of late Field Marshal Sarith Thanarath.

How Can We Suppress and Solve the Problem of Growing Opium?

As I studied from the methods of the World Organization, the suppression campaign has to be launched against its trafficking and its trading. It means that we have to crack down the opium merchants not to suppress the opium growing. This will lead to decreasing number of opium year after year to the nonexistence. There are two different methods to eradicate the opium business. They are:

1. To stop its trading and delivering to foreign countries.
2. To ban any opium growing and destroy all its seeds.

The world Narcotics Suppression Organization has been so far launching a drastic campaign of arresting merchants and halting opium traffic only. No other better methods that the Organization can work out now.

In order to suppress the merchants dealing in opium and delivering it abroad, the Organization should have a fund for buying all opium from the remote Khouengs. The opium which the Organization buys can be used in medical treatment, and if some of it is left, the Organization should throw it away into the ocean. The Organization can do like this every year. But doing this, there will be no end, and the countries which finance the destruction operations will not be tolerate. As for the banning of growing opium, I think that it is a better way but the Organization has to provide a great amount of fund. The budget allocated to the Organization for suppressing the narcotics dealers should be given to the tribesmen as follows:

(1) To provide the tribesmen with enough food.
(2) To provide them with clothings.
(3) To provide them with medicines, hospital and doctors.
(4) To provide them with houses.
(5) To provide them with schools, teachers and teaching materials.
(6) To provide them with self-defense.

As I already mentioned, over one million population in Laos is living in the mountainous areas. They all have to work hard for their sole product in a year. The opium crop sometimes cannot bring their families good living. Now, I'm going to tell you about the six existing problems that I call upon the Organization to provide aids to.

1. Food: This is the prolonged problem that has not been thrashed out since the ancient time, because the gross production in each family when the rain is in season does not cost over 250,000 kip.

2. Clothing: The tribesmen do not have time to make cloth as they have to engage themselves in growing rice and opium. They have never grown cotton before. Rice and opium are regarded significant products of these people for exchanging.

3. Shelters: Most of the tribesmen's houses are temporarily built; they have to move to other places whenever their farmland cannot bring them good products—that's about 2 years their thatched houses with 3-stepped ladder will be moved. They normally are not fond of their houses because of no beauty at all.

4. Public Health: The public health for these people is considered very bad. Most of the new babies—70 per cent got neumornia and some died; they do not have clothes, just get warm from sitting near fire. The government cannot set up a hospital for them on the grounds that there are not many houses and each house is located dispersely. The sick people have never got used to medicines but spiritual things. Sometimes the villagers have to abandon their houses when some of them die of unknown diseases. They believe in ghost or bad spirits. The major problem which causes the people to believe in superstition is that the government

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cannot send out the administration authorities to give them the right instruction for good health.

5. Very few tribesmen living in the hilly areas will receive education because of no good communication. A school cannot be set up as the children do not live together in a village. There are many problems about giving education for those children; the government is now facing an acute shortage of teachers. The number of teachers in Laos is totally 3,000–4,000 while the number of villages all over Laos is 11,000. Supposely, a school is set up in a remote area and some teachers are sent there, there may not be children to attend the school, because most of the parents badly need their children to help earn living, and then it's pretty sure that the school will be abandoned.

6. Security: Owing to not many people in each village, self-defense with arms cannot be provided. If the government provides the villages with arms, the enemy can easily take them away. Besides, the people are easily fallen to prey to the enemy by the reason that they are uneducated, the government officials cannot reach them and the enemy can launch an instigation. It is obvious that any area the enemy can control the FAR cannot retake but on the contrary, the area where the government officials can reach and give the citizen some education, the enemy cannot capture it because the citizen will fight to the end.

I used to study and see a method of President Magsaysay in Philippines in 1956 in connection with the evacuation of all tribesmen living on the mountains down to the plain, providing plots of land and various facilities. This method can prevent the people from being instigated by the opponent but it must take time. When late President Magsaysay launched his campaign of tribesmen evacuation, he had to face many problems—enemy propaganda against the government, fierce fighting, etc. until he won the hearts of the people.

After my study of the Laotian population from 1960 up to present, I know that some of the population were living on the hills in north and east Laos, bordering China and Vietnam. Some of those have already moved their families to settle down in the plain along the Mekong River and various Se rivers but some still lived in big groups on the mountains. Up to one-third of the total population of Laos or 600,000 (must be one-fifth as the total population is 3 million/Asawa) are willing to move down from the hilly areas. I have an idea that the government can take this opportunity to tell those people if the government will provide some plots of land for them to settle down. They will by all means agree with the government whenever they make sure that their new place is better than the one they are living in now. This will lead to the solution to the said six problems. For instance, economically speaking, if the tribesmen move down to cultivate the plain land, at least 500 muns of rice grains in five months each family will bring in. And they can spend the other 7 months in a year to grow other crops, raise 4 pigs each family and others. Judging from the rough estimation, living in the plain can make their life better than that on the mountain. Talking about the clothing problem when they move down, they can live more comfortably because the weather down the hills is warmer. They will have much more time to work. Some women can grow cotton and weave for their own clothings. Besides, buying clothings down the hills is cheaper and better.

On the shelter problem, the tribesmen can live together in a village of more than 50 houses can be built permanently and lastly for their next generations. When they live in a better circumstances and good environment, they will have to love and cherish what they have. Many countries in the world have tried to organize the house-hold project. I see that the "Irsraelece" project is a better one which we should adopt and adapt to the Laotian custom.

On public health question, when they live in a community, the government can provide them a hospital or health station or good instruction on health. Comparable to living on the hill, when they are sick all of the family members have to watch them with no medical treatment—resulting in loss of valuable time.

Concerning education problem, the government or the Ministry of Education can set up a school for them and send teachers to teach the children in all levels. This will make those children at least literate people of Laos. As for smart children, they can further their studies up to university level. In addition to the children given education in school, the able-bodied young men will be able to serve the country as soldiers. They will learn how to be good compatriots and they will have many friends from various villages which they can help each other. These men eventually will have good knowledge and bravery

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to fight the enemy. After the tribesmen move down to the settlement, the subsequent development will follow, There will be roads linking with each community and town, and not so long the settlement will be civilized once society is set up.

I have realized that the new community will create good understanding and relationship between the Laotian people because marriage life in the new world of those tribes can bring about unity, leading to no split of the nation.

I'm pretty sure what I have said above will solve many problems and get rid of various conflicts, such as:

—self-selfish, family-selfish, city-selfish, but bring about worldwide knowledge, sacrifices and donation.

Turning to security and peace, this is the most significant problem of the country, because the enemy have created bad attitudes and no self-confidence to the people of Laos. The enemy have instigated the people to fight against the government for the purpose of overthrowing the Royal throne. If the tribesmen can move down, there have to be a massive training among them as follows:

To educate them to realise the importance of peace and happiness.

To arrange them in group for any possible action.

To train them to assemble arms and provide them with weapons.

To impose rules and regulations.

When the children are brought up in good way, they will realise that they have to fight for country. This programme takes time because we have to prepare everything ready to cope with the present situation. Now the FAR needs manpower to serve the nation so that peace will come. Various disputes or conflicts between compatriots cause no peace, and only peace can bring about happiness to the people from all walks of life.

Reservation of Forest and Water

As I have studied about reserving forest and water, we should not cut down the trees. We can cut the trees down but we have to grow young trees in their places. Many students who studied abroad, France, Canada and India, and come back to serve the country but cannot solve this problem. If you can fly in a plane to upnorth, you will see many points of the mountains and hills being dried, compared to the plain at the foot of the hills or mountains, many parts of the fertile land are abundant of trees. A great deal number of our relatives abandoned their home villages from the abordering areas closed to China and Vietnam to settle down their life in the new area, leaving some families on the mountain. Anyhow, up to 600,000 people of various tribes have been in an exodus since 1960. They were afraid earlier that they would be killed if they moved down because the weather down the hill was very hot for them to be alive. Now, Meo and Nhao tribesmen are cultivating their land in the plain, and some others on the mountain are willing to move down too. This is a golden opportunity for the government to take. Some uncleared parts of land in the plain should be prepared for our relatives who will abandon their opium farmland to join us. If most of the tribesmen or all of them come down, many problems will be thrashed out. In order to maintain peace in the refugees' communities, the government should send out some educated officials to live with them, training them in various aspects, particular politics.

Whenever they all move down, the national budget or the national gross will come up to 50 times. Besides their self-reliance, they will bring in national income to Laos. Laos can solve the problem of opium whenever all of the tribesmen move to live in the plain settlements, because they will not be able to grow opium in the warm climate.

Vientiane, June 1, 1970.

Gen. Ouan Rathikoun.

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APPENDIX C

Text of United States-Thai Memorandum of Understanding

The Royal Thai Government and the Government of the United States, being parties to the Single Convention on Narcotic Drugs of 1961, and other international agreements on the control of illicit narcotics and dangerous drugs whether vegetal or chemical derivative, recognizing that drug addiction and drug abuse present a threat to their respective societies and to the peoples of other nations, accepting the cessation of opium production and the ending of the cultivation of the poppy as international goals, and having issued on August 25, 1971, a joint statement expressing their deep concern over the growth in drug abuse and drug addiction in many parts of the world, reaffirm their desire and intention to cooperation with each other in actions to be taken against the supply of illicit narcotics and dangerous drugs for the purposes of abuse, and against international traffic which serves as a channel connecting production with use, and to discourage the demand for such narcotics and drugs for such purposes, and agree as follows:

(1) Disruption and elimination of narcotics trafficking, processing and storage both within the two countries and across their borders through stringent law enforcement efforts and other means, is the most promising means of achieving significant early reduction of narcotics supplies and, as a matter of first priority, maximum effort will be made to cooperate in this respect. The principal problem facing Thailand is recognized by the two parties to be the illegal transit through Thai territory of certain types of dangerous drugs and narcotics. The Royal Thai Government agrees to make additional police and other officials and other resources and facilities available for its programs to interdict the narcotics traffic. The United States Government, in its part, and wherever it has jurisdiction and authority, agrees to reinforce surveillance and control of drug traffic and drug use. It will also lend its unstinted cooperation in such fields as training, equipment, advisory assistance and other mutually agreed support to make programs of the Royal Thai Government more effective.

(2) The two governments agree to exert their efforts to work with the countries concerned to achieve elimination of illicit agricultural production of poppies. As regards Thailand where effective measures have for many years been taken by the Royal Thai Government to prevent certain hill tribe elements from indulging in such production, further efforts are needed to support the Royal Thai Government's endeavors to bring about the transformation of regions where some poppies are still grown illegally into viable economies based on other types of agriculture and other sources of livelihood. It is further agreed that programs already launched by the Royal Thai Government will be enlarged and that additional programs will be designed so that the desired economic and social change may be realized and that work on such programs will proceed expeditiously. The two governments see the need for each to contribute, as available, area and social expertise, technical and agricultural knowledge, personnel and required equipment. Attainment of this goal will involve, inter alia, more effective research into and application of existing knowledge concerning possible crop substitution, other alternative economic production activities and marketing aspects.

(3) Medical and social rehabilitation of narcotics and drug users and addicts must be a key component of an integrated attack on the narcotic problem. In this connection the two governments agree that the efforts will be made to increase and improve the effectiveness and availability of rehabilitation services. The United States Government will make available, in support of Thai efforts, medical and related social counseling facilities, personnel and equipment and other resources, as needed and available, to implement programs designed to alleviate the dependence on narcotics and drugs of users and addicts an to assist their re-entry into society.

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(4) A comprehensive education and public information program is an important aspect of narcotics and drug control and this can be achieved through programs designed to publicize widely the medical and social and economic dangers of narcotics and drugs and to insure the public awareness an understanding of the programs that will be necessary to their full acceptance. The two parties agree to cooperate with each other and to employ existing assets, to the maximum extent feasible, in this effort.

(5) It is important to the combating of international narcotics and drug production and trafficking that the coordinated cooperation of many countries be obtained. Thus, the two governments agree to the desirability of encouraging and cooperating with United Nations and other multilateral programs to combat drug abuse and control traffic in narcotics.

(6) The Joint Planning Groups already established by the two governments will serve as a primary means of policy liaison in furtherance of the programs which are to be undertaken in implementation of this agreement.

(7) In order to carry out the purposes of this Memorandum of Understanding, they will promptly proceed with the preparation and implementation of specific projects and programs within the field of narcotic and drug control.

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APPENDIX D

Recent SNO Seizures and Arrests in Northern Thailand

Name, place, and case number	Date	Quantity seized (kilos)	Defendants
Raw opium:			
Lamphun WB-72-0004	June 9, 1972	16,00	4 persons.
Chiang Mai, 3 villages, WB-72-0005, 0006, 0007, and 0008.	July 8, 1972	295	1 police sergeant major and 4 suspects.
Mae Sai:			
WB-72-0009	July 23, 1972	63	None identified.
WB-72-0010	July 24, 1972	2,190	6 defendants (bogus military clothing).
Total (raw opium)		4,148	
Morphine base: WB-72-0010	do	212	Do.
Smoking opium: WB-72-0010	do	353	Do.
No. 4 heroin: WB-72-0010	do	7	Do.
Total seizures (15 dependants)		[1] 4,720	

[1] 4,720 kilos opiates is the equivalent of 17,050 lbs. of raw opium (7,750 times 2.2)

In addition:

Vehicles:

1 Jeep
1 Landrover
1 Tank Truck with special compartment

Weapons:

11 M–1 US Carbines
9 US .30 calibre rifles
1 US M–79 grenade launcher
1 Chinese automatic hand gun
5 hand weapons, not further identified
1 US grenade

Ammunition:

For .30 calibre rifles, M–16 Rifles and the M–60 machinegun.

Lab equipment:

47 drums of chloroform and other chemicals and apparatus used in the making of morphine base and #4 heroin were seized as result of leads developed from the raid on the Tank Truck at Lamphun, June 9, 1972

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APPENDIX E

Decree Law No. 008/TT/SLU on the Eradication of Toxic, Narcotic and Dangerous Substances

(Promulgated by President Thieu on August 12, 1972)

Considering the Republic of Vietnam Constitution dated April 1, 1967.

Considering Ordinance No. 60 dated Sept. 27, 1955 on opium and modifying Decree dated July 16, 1919 which was amended by Decree No. 49/1011 dated July 26, 1949 on toxic, narcotic, and dangerous substances;

Considering law No. 005/72 dated June 28, 1972 delegating to the RVN President the power to promulgate by Decree Laws necessary measures in the domains of Security, Defense, Economy and Finance within a six-months period.

After the Ministerial Council's discussions.

Decree Law

Article 1: Ordinance No. 60 dated Sept. 27, 1955 on opium is abolished and a Decree dated July 16, 1919 amended by Decree No. 49/1011 dated July 26, 1949 on toxic, narcotic and dangerous substances is modified.

Article 2: Three name-lists of toxic drugs (A) narcotics (B) and dangerous substances (C) established along with this Decree-Law are to replace three lists A, B, C attached to Decree dated July 16, 1919 amended by Decree No. 49/1011 dated July 26, 1949.

Chapter I

Violations and punitive measures.

Article 3: Penal servitude for life penalty will be given to those who use narcotics not for medical and teaching purpose or violate the regulations in force on narcotics. Violations include import, export, speculation, cultivation, distillation, transportation concession of the following kinds of narcotics: opium, morphine and heroin, cocaine, pethidine. The offender, if belonging to a well-organized group will be subject to death penalty.

Solitary confinement penalty will also be handed down to those who use substances in list B not for medical or instruction purpose, or violate the regulations in force on narcotics. Act regarded as violations are import, export, cultivation, distillation, transportation, speculation and concession of narcotics of list B including marijuana, (root, branches, leaves, browse resine of Cannabis). The limited hard labor penalty is envisaged for violators who are members of an organization.

Article 4: Speculation of narcotics listed in Article 3 at shops or private residences for in-place consumers is prohibited throughout the RVN territory.

The speculator will be given confinement penalty. Offenders who are the speculators or admit minor youths will receive limited hard labor penalty.

Consumers of narcotics including marijuana, and Cannabis plants not for medical purpose under whatever form will be subject to one year to five years of imprisonment and fined from VN$ 5,000 to VN$ 100,000.

Article 5: As for toxic substances likely to cause addiction:

—Amphetamine group such as Maxiton, substances of similar character or effect such as Dexanphetamine, Methamphetamine, Phenmetrazine group such as Obesitol; Methylphenidate group and Pipradol group.

—Sleeping drugs: Barbiturates such as Binoctal, Immeroctal and substances of the same category.

Punitive measures are fixed as follows:

a—Those who, not for medical or instruction purpose and not in accordance with the regulations in-force on narcotics, toxic and dangerous substances, hoard, transport, produce, distill, import, export, keep in warehouse or concede the above-mentioned hard drugs will be sentenced to from one year to five years of imprisonment and fined from VN$ 5,000 to VN$ 100,000. The confinement penalty is reserved for those violators who are members of organization.

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b—Consumers of toxic and sleeping drugs under any forms contrary to the medical therapeutic method will be subject to three months to three years of imprisonment and must pay a fine from VN$ 1,000 to VN$ 50,000.

Article 6: As for substances which help create illusion in List A including LSC, Mescaline, Psiloycybine, DMT, STT or DOM, and substances of the same distillation and category, punitive measures will be limited labor penalty for those who hoard, transport, produce, distill, export, import, concede and use these substances not for medical purpose, or in accordance with the regulations-in-force on narcotics. The violators, if belonging to an organization, will be sentenced to hard labor for life.

Consumers of these toxic substances under any forms not for therapeutic purpose as acknowledged in physicians prescriptions will be sentenced to one year to five years of imprisonment and fined VN$ 5,000 to VN$ 100,000.

Article 7: Physicians, pharmacists, dentists, veterinarians who intentionally provide means for violators prescribed in Articles 3, 4 and 5 cause a and Article 6 of this Decree-Law will be subject to the same penalty given to the offenders.

Any misuses in the issuance of prescription authorizing the use and distribution of toxic, narcotic and dangerous substances contrary to the regulations in force will be also subject to punitive measures stipulated in Article 5 clause b of this Decree-Law.

In addition to the penalties, the Court may order the closure of the related consultation office or pharmacy for a period from six months to two years. Besides the Health Minister will ask the Physicians' Union Council, the Pharmacists' Union or the Dentists' Union to adopt disciplinary measures against the offenders.

In case of repetition of the offense, besides the penalties said above, the Court may order the definite closure of the medical consultation office or pharmacy.

Chapter II

De-intoxication

Article 8.—De-intoxication is enforced in separate agencies to be set up by an Order of the Prime Minister or in national hospitals and private consultation office legally recognized in accordance with the demands.

Subject to compulsory treatment at the above-mentioned agencies are addicts of toxic, narcotic and dangerous substances said in this Decree-Law, who are either arrested or voluntarily report for the treatment.

Those who try to escape from the hospitals will be sentenced to imprisonment terms from three months to three years and fined from VN$1,000 to VN$50,000.

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Chapter III

General provisions

Article 9.—In parallel with the penalties said in the foregoing Articles, the Court will order the seizure of:

—Narcotics, marijuana, toxic and dangerous substances along with transportation means and materials used to conceal the offense.

—Substances used for the distillation and materials used for the cultivation, distillation or the containers of the seized substances.

—Necessary materials and equipments for the use of narcotics, toxic and dangerous substances under all forms.

Article 10.—The offenders will not be entitled to suspended execution of sentence given to cases of offenses envisaged in this Decree-Law.

However, over 55-year-old or sick opium smokers may be entitled to suspended execution of sentence in accordance with the laws in force.

Article 11.—The Prime Minister will fix by an order the detailed application of this Decree-Law whenever necessary.

The Prime Minister may change, by virtue of a Decree signed upon the proposal of the Health Minister, the narcotics toxic and dangerous substances mentioned in Articles 3, 5 and 6 as well as in the A, B, C lists supplemented to this Decree-Law.

Article 12.—During the whole period in which the state of war or martial law is proclaimed, the trial of violators of Article 3 of this Decree-Law belongs to the competence of the Military Field Court.

However, the Ordinary Court can still continue to handle the case if military authorities do not claim for the right to prosecute the violators before the Military Field Court.

Article 13.—All articles contrary to this Decree-Law are abolished.

Article 14.—This Decree-Law is promulgated under the emergency procedures and printed in the official journal of the Republic of Vietnam. (PD/26)

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